



DEPARTMENT OF THE TREASURY  
U.S. CUSTOMS SERVICE  
WASHINGTON, D.C. 20229

DATE: October 15, 1999

FILE: FAC-8-OF:P:O MR

To All Interested Offerors:

Subject: DRAFT Request for Proposals #CS-00-005 (Customs Modernization)

Dear Sir/Madam:

The U.S. Customs Service (Customs) has identified a requirement to modernize its existing automation systems. The purpose of the subject solicitation is to identify a Prime Contractor that would be responsible for the planning, definition, design, development, and implementation of an integrated and supportable set of modern automation systems that enables achievement of Customs' strategic goals and objectives. The initial focus of this planned 15-year effort will be Customs' trade compliance processes, replacing the current Automated Commercial System with a new system, entitled the Automated Commercial Environment (ACE).

By its very nature (up to 15 years in length and with a value of from \$1.4 to \$2 billion), the Customs Modernization requirement will be an unusual procurement. Therefore, Customs is providing this draft solicitation to interested vendors in the hopes of eliciting your thoughts on how to ensure its success. We are asking for your ideas on how to incorporate innovative features in the solicitation and in any resultant contract, involving:

- Cost Sharing and Saving
- Period of Performance and Option Periods
- Performance Incentives
- Incorporation of Best Commercial Practices and Other Innovative Technical and Management Approaches

Customs intends to award an Indefinite Delivery/Indefinite Quantity (IDIQ) type contract as identified in FAR 16.504. Subject to approval, Customs intends the contract to have a Base Period of five years. There will also be two Option Periods, each for five years. Delivery/Task Orders will be issued on a Firm-Fixed-Price, Cost-Reimbursement or Time-and-Materials basis, as appropriate.

Vendors are invited to provide comments and recommendations on any element of this Request for Proposals. Vendors are specifically requested to direct special attention to the following sections of the solicitation:

- Sections B, L, and M – For this draft solicitation these three sections, involving Prices/Costs, Instructions to Offerors and Evaluation Factors, have been left vague intentionally. Customs has included some basic provisions in these sections and requests vendor input prior to finalizing them.
- Section C – Customs plans to develop and implement the modernized systems incrementally. Vendors are invited to suggest unconventional and creative alternatives for the implementation of these systems.
- Sections C.7 and L.11(h) – The Prime Contractor and any team members/subcontractors involved in software development will be required to verify that they are at a Level 3 (or better) of the Software Engineering Institute's Capability Maturity Model. This is a mandatory requirement. Any vendors involved in software development that do not meet this requirement will be disqualified during the evaluation process.
- Section E2.3 – This section contains a basic set of performance measures that Customs may apply to any or all Delivery/Task Orders. Customs requests input from vendors as to other measures that should be considered for use on all Delivery/Task Orders. In addition, vendor input on specific additional performance measures for the first three Delivery/Task Orders, included as part of this solicitation, is requested.
- Section H – Customs intends to place information in this section regarding cost sharing and cost savings and requests input from the vendors as to how this should be addressed.
- Section H.5 – The Prime Contractor will handle Customs information that is sensitive in nature. It will be necessary for the Prime to have the capability to provide an environment that accommodates classified information properly. A secure contractor facility will be required in order for an offeror's proposal to be considered responsive to this solicitation
- Sections L and M7: With respect to source selection, Customs will make an award to the Offeror whose technically acceptable proposal represents the best value to the Government. Offerors must submit a proposal in accordance with the criteria established in Section L. Page limitations must be strictly adhered to and any portion of an Offeror's proposal that does not conform to stated limitations will not be considered.

- Section L.11 – Offerors will be held accountable for ensuring that their references provide completed past performance questionnaires to Customs in a timely manner. Failure of the Offeror to demonstrate best efforts regarding this requirement may affect the evaluation of its proposal negatively.
- Section L.11(g) - A mandatory requirement for this procurement is participation in the Treasury Department's Mentor/Protégé Program. Offerors must provide clear documentation in their proposals that shows how either a program is currently in place that meets the policy or how this program will be implemented during the term of the contract.
- Section L.13 – Customs will invite those offerors that are within the competitive range to make an oral presentation. The oral presentation will be a critical part of the proposal process. Offerors invited to make oral presentations will be required to address a specific problem set, a pre-defined series of questions, and random questions from the evaluation team during their presentation. The Offeror's team making the presentation and responding to questions must consist of key personnel who will work on the Contract. The problem set and pre-defined questions to be addressed during the oral presentation will be made available to invited Offerors approximately two weeks prior to the date of the presentations.

It is the intent of Customs to use electronic media to the fullest extent for all documentation for this solicitation. All amendments, questions & answers, announcements, and other information will be posted to the Customs web page. It will be the responsibility of potential offerors to check the web page on a regular basis. Vendors are reminded, however, that the formal proposals will be submitted in hard copy in accordance with the provisions of Section L.8.

Any proposed changes, recommendations, comments or other submissions are provided for the benefit of the Government to improve this solicitation. Any vendor input may be incorporated by Customs into the solicitation and will not be considered proprietary to that vendor.

Vendors are requested to submit all comments, recommendations, and other input regarding this draft solicitation to the Contracting Officer as soon as possible, but no later than November 12, 1999, via hard copy, fax, or email to one of the following addresses:

U.S. Mail: U.S. Customs Service  
Procurement Division  
1300 Pennsylvania Avenue, N.W., Room 4.2-E,  
Washington, D.C. 20229

Fax: 202-927-0288

E-mail: michael.p.rebain@customs.treas.gov.

All submissions must be in writing and must identify the firm/individual submitting the input. No oral submissions will be considered. Vendors may make more than one submission.

Your interest in the Customs Modernization requirement is appreciated, and we look forward to receiving your suggestions and comments.

Yours truly,

Michael Rebain  
Contracting Officer

Enclosure

# **Customs Modernization Request for Proposals**



**October 1999**

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## Customs Modernization Request for Proposal \* Acronym Listing

<b>ABI</b>	Automated Broker Interface
<b>ACE</b>	Automated Commercial Environment
<b>ACO</b>	Administrative Contracting Officer
<b>ACS</b>	Automated Commercial System
<b>AES</b>	Automated Export System
<b>AIMS</b>	Asset Information Management System
<b>AMS</b>	Automated Manifest System
<b>ANSI</b>	American National Standards Institute
<b>APC</b>	Accounting Process Codes
<b>APHIS</b>	Animal and Plant Health Inspection Service
<b>ATD</b>	Applied Technology Division
<b>ATS</b>	Automated Targeting System
<b>ATS-AT</b>	Automated Targeting System-Anti Terrorism
<b>ATS-N</b>	Automated Targeting System-Narcotics
<b>ATS-P</b>	Automated Targeting System-Passenger
<b>BIR</b>	Business Information Representative
<b>BITR</b>	Business Information Technology Representative
<b>BPR</b>	Business Process Reengineering
<b>CABINET</b>	Combined Agency Border Intelligence Network
<b>CAF</b>	Capability Maturity Model Appraisal Framework
<b>CAMIR</b>	Customs Automated Manifest Interface Requirements
<b>CAS</b>	Cost Accounting Standards
<b>CATAIR</b>	Customs and Trade Automated Interface Requirements
<b>CBA</b>	Cost Benefit Analysis
<b>CFM</b>	Contractor Furnished Materials
<b>CFO</b>	Chief Financial Officer
<b>CICS</b>	Customer Information Control System
<b>CIO</b>	Chief Information Officer
<b>CMM</b>	Capability Maturity Model
<b>CMO</b>	Customs Modernization Office
<b>COTR</b>	Contracting Officer's Technical Representative
<b>COTS</b>	Commercial-Off-the-Shelf
<b>CPAF</b>	Cost Plus Award Fee
<b>CPFF</b>	Cost Plus Fixed Fee

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\* This acronym listing pertains to the acronyms used in this Request for Proposals. See the Bidders Library (referenced in Section J4) for a complete list of standard acronyms used throughout Customs.



<b>CPIF</b>	Cost Plus Incentive Fee
<b>DEA</b>	Drug Enforcement Administration
<b>DES</b>	Data Encryption Standard
<b>DOT</b>	Department of Transportation
<b>EA</b>	Enterprise Architecture
<b>EDI</b>	Electronic Data Interchange
<b>EDW</b>	Enterprise Data Warehouse
<b>EISA</b>	Enterprise Information Systems Architecture
<b>ELCM</b>	Enterprise Life Cycle Management methodology
<b>EOE</b>	Equal Employment Opportunity
<b>EPA</b>	Environmental Protection Agency
<b>EPIP</b>	Enterprise Process Improvement Program
<b>ESC</b>	Executive Steering Committee
<b>FAA</b>	Federal Aviation Administration
<b>FAR</b>	Federal Acquisition Regulation
<b>FASA</b>	Federal Streamlining Act
<b>FBI</b>	Federal Bureau of Investigation
<b>FCC</b>	Federal Communications Commission
<b>FDA</b>	Food and Drug Administration
<b>FEAF</b>	Federal Enterprise Architecture Framework
<b>FED-STD</b>	Federal Information Processing and Federal Communications Standards
<b>FFP</b>	Firm Fixed Price
<b>FFRDC</b>	Federally Funded Research and Development Center
<b>FFS</b>	Federal Financial System
<b>FINCEN</b>	Department of Treasury Financial Crimes Enforcement Network
<b>FIPS</b>	Federal Information Processing Standards
<b>FOIA</b>	Freedom of Information Act
<b>FPAF</b>	Fixed Price Award Fee
<b>FPIF</b>	Fixed Price Incentive Fee
<b>FPM</b>	Federal Personnel Manual
<b>FWS</b>	Fish and Wildlife Service
<b>GAO</b>	General Accounting Office
<b>GATT</b>	General Agreement n Tariffs and Trade
<b>GPRA</b>	Government Performance and Results Act
<b>GTM</b>	Government Task Monitors
<b>HIDTA</b>	High Intensity Drug Trafficking Area
<b>HMCE</b>	Her Majesty's Customs and Excise
<b>HR</b>	Human Resources
<b>HRIS</b>	Human Resources Information System
<b>HRM</b>	Human Resources Management systems

<b>IBIS</b>	Interagency Border Inspection System
<b>IEEE</b>	Institute of Electrical and Electronic Engineers
<b>IMP</b>	Investment Management Process
<b>INS</b>	Immigration and Naturalization Service
<b>IPI</b>	Internal Process Improvement
<b>IPT</b>	Integrated Product Teams
<b>IRB</b>	Investment Review Board
<b>ISD</b>	Infrastructure Services Division
<b>ISLC</b>	Treasury Information Systems Life Cycle
<b>IT</b>	Information Technology
<b>ITC</b>	Information Technology Committee
<b>ITDS BoD</b>	International Trade Data System Board of Directors
<b>ITDS</b>	International Trade Data System
<b>ITP</b>	International Trade Prototype
<b>IV&amp;V</b>	Independent Verification and Validation
<b>IVR</b>	Interactive Voice Response
<b>JFMIP</b>	Joint Financial Management Improvement Program
<b>MDR</b>	Milestone Decision Review
<b>MMP</b>	Customs Modernization Master Plan
<b>MSG</b>	Management Steering Group
<b>NAFTA</b>	North American Free Trade Agreement
<b>NCAP</b>	National Customs Automation Program
<b>NCAP/P</b>	National Customs Automation Program
<b>NHTSA</b>	National Highway Traffic Safety Administration
<b>NIST</b>	National Institute of Standards and Technology
<b>NSA</b>	National Security Agency
<b>NTEU</b>	National Treasury Employees Union
<b>OCDEFT</b>	Department of Justice Organized Crime and Drug Enforcement Task Force
<b>OGA</b>	Other Government Organization
<b>OIT</b>	Office of Information Technology
<b>OMB</b>	Office of Management and Budget
<b>OST</b>	Office of Strategic Trade
<b>PM</b>	Program Manager
<b>PMP</b>	Program Management Plan
<b>PRA</b>	Paperwork Reduction Act
<b>QPAM</b>	Quality Planning for Asset Management

<b>RFP</b>	Request for Proposal
<b>SA-CMM</b>	Software Acquisition Capability Maturity Model
<b>SAT</b>	System Acceptance Test
<b>SBC</b>	Small Business Concern
<b>SCE</b>	Software Capability Evaluation
<b>SDB</b>	Small Disadvantaged Business
<b>SDD</b>	Software Development Division
<b>SDLC</b>	Systems Development Life Cycle
<b>SEACATS</b>	Seized Currency and Asset Tracking System
<b>SE-CMM</b>	Systems Engineering Capability Maturity Model
<b>SED</b>	Shipper's Export Declaration
<b>SEI</b>	Software Engineering Institute
<b>SEPG</b>	Software Engineering Process Group
<b>SPI</b>	Software Process Improvement Plan
<b>SSA</b>	Source Selection Authority
<b>SW-CMM</b>	Capability Maturity Model for Software
<b>TAG</b>	Technology Architecture Group
<b>TAP</b>	Trend Analysis and Analytical Selectivity Prototype
<b>TC BoD</b>	Trade Compliance Board of Directors
<b>TD</b>	Treasury Directives
<b>TECS</b>	Treasury Enforcement Communications System
<b>TISAF</b>	Treasury Information Systems Architecture Framework
<b>TMP</b>	Transition Management Plan
<b>TRC</b>	Technology Review Committee
<b>TRG</b>	Trade Resource Group
<b>TRM</b>	Technical Reference Model
<b>TSBP</b>	Total Systems Business Partner
<b>TSCA</b>	Toxic Substance Control Act
<b>TSN</b>	Trade Support Network
<b>TWG</b>	Technical Working Groups
<b>USCS</b>	United States Customs Service
<b>USDA</b>	United States Department of Agriculture
<b>WANTS</b>	Worldwide Alien Narcotics Trafficking System

## Part I: The Schedule

### Section A

## Solicitation/Contract Form

### SF 33 SOLICITATION, OFFER AND AWARD

Page 1

1. This contract is a rated order under DPAS(15 CFR 700) RATING: N/A		
2. CONTRACT NO.	3. SOLICITATION NO. CS-00-005	
4. TYPE OF SOLICITATION: [ ] SEALED BID (IFB) [X] NEGOTIATED (RFP)		
5. DATE ISSUED	6. REQUISITION NO. 00-00075	
7. ISSUED BY U.S. Customs Service Procurement Division 1300 Pennsylvania Ave., NW, Suite 4.2-E Washington DC 20229	CODE N/A	8. ADDRESS OFFER TO (If other than Item 7)

NOTE: In sealed bid solicitations, "offer" and "offeror" mean "bid" and "bidder"

### SOLICITATION

9. Sealed offers in original and \_\_\_\_\_ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 7, until 3:00 PM local time on \_\_\_\_\_.  
CAUTION-LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL: A. NAME: Michael Rebain  
B. TELEPHONE NO. (NO COLLECT CALLS) 202-927-0598  
C. EMAIL ADDRESS:michael.p.rebain@customs.treas.gov

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L INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS
M EVALUATION FACTORS FOR AWARD

STANDARD FORM 33 (REV.9-97) Prescribed by GSA FAR(48 CFR) 53.214(c)

**SOLICITATION, OFFER AND AWARD**

Page 1a

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provision at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within \_\_\_\_\_ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)

10 CALENDAR DAYS 20 CALENDAR DAYS 30 CALENDAR DAYS \_\_\_\_ CALENDAR DAYS

\_\_\_\_\_ %          \_\_\_\_\_ %          \_\_\_\_\_ %          \_\_\_\_\_ %

14. ACKNOWLEDGEMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors & related documents numbered and dated

AMENDMENT NO.	DATE	AMENDMENT NO.	DATE
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15A. NAME AND ADDRESS OF OFFEROR

Code:

Facility Code:

15B. TELEPHONE NO. (Include Area Code)

15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT IN SCHEDULE  
[ ] DIFFERENT FROM ABOVE - ENTER SUCH

16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or Print )

17. SIGNATURE

18. OFFER DATE

STANDARD FORM 33 (REV.9-97) Prescribed by GSA FAR(48 CFR) 53.214(c)

## SOLICITATION, OFFER AND AWARD

Page 1b

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED

20. AMOUNT

## 21. ACCOUNTING AND APPROPRIATION

22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:

☐ 10 U.S.C. 2304(c)( )      ☐ 41 U.S.C. 253(c)( )

23. SUBMIT INVOICES TO ADDRESS SHOWN IN ITEM:  
(4 copies unless otherwise specified)

24. ADMINISTERED BY (If other than Item 7)	CODE
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25. PAYMENT WILL MADE BY (If other than Item 7)	CODE

26. NAME OF CONTRACTING OFFICER (Type or Print)	27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	28. AWARD DATE
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**IMPORTANT** - Award will be made on this Form or on Standard Form 26, or by other authorized official written notice.

STANDARD FORM 33 (REV.9-97) Prescribed by GSA FAR(48 CFR) 53.214(c)

**Section B****Supplies or Services and Prices/Costs****B.1 Contract Type**

The United States Customs Service (USCS), hereinafter known as Customs, contemplates awarding an Indefinite Delivery/Indefinite Quantity type contract. Deliver/Task Orders will be awarded on a Cost Reimbursable, Firm Fixed Price or Time and Materials basis, as appropriate, based on the determination of the Contracting Officer.

**B.2 Schedule**

The following Contract Line Item Numbers (CLINs) will be used for awarding Cost Reimbursable Delivery/Task Orders.

**BASE PERIOD (June 1, 2000–May 31, 2005)**

CLIN	DESCRIPTION	QTY/UNIT	UNIT PRICE (COST REIMBURSEMENT) ESTIMATED COST AND FEE	AMOUNT
0001	Program Management Support Services	Hours		
	ESTIMATED COST		\$	
	FIXED FEE		\$	
	FACILITIES CAPITAL COST OF MONEY (FCCM)		\$	_____
	TOTAL ESTIMATED COST PLUS FIXED FEE		\$	NTE
0002	Data for CLIN 0001 DD Form 1423 (Exhibit C) NSP – Not Separately Priced Price Included in Price of CLIN 0001	1 Lot	NSP	
0003	Enterprise Engineering Services	Hours		
	ESTIMATED COST		\$	
	FIXED FEE		\$	
	FACILITIES CAPITAL COST OF MONEY (FCCM)		\$	_____
	TOTAL ESTIMATED COST PLUS FIXED FEE		\$	NTE

0004	Data for CLIN 0003 DD Form 1423 (Exhibit C) NSP – Not Separately Priced Price Included in Price of CLIN 0003	1 Lot	NSP
0005	System Development and Installation	Hours	
	ESTIMATED COST		\$
	FIXED FEE		\$
	FACILITIES CAPITAL COST OF MONEY (FCCM)		\$
	TOTAL ESTIMATED COST PLUS FIXED FEE		\$ NTE
0006	Data for CLIN 0005 DD Form 1423 (Exhibit C) NSP – Not Separately Priced Price Included in Price of CLIN 0005	1 Lot	NSP
0007	Other Direct Costs	1 Lot	\$NTE
0008	Travel (In accordance with JTR) (Exclusive of G&A and profit)	1 Lot	\$TBD
0009	Award Fee	1 Lot	\$TBD

**OPTION PERIOD I (June 1, 2005–May 31, 2010)**

CLIN	DESCRIPTION	QTY/UNIT	UNIT PRICE	AMOUNT (COST REIMBURSEMENT) ESTIMATED COST AND FEE
0101	Program Management Support Services	Hours		
	ESTIMATED COST		\$	
	FIXED FEE		\$	
	FACILITIES CAPITAL COST OF MONEY (FCCM)		\$	
	TOTAL ESTIMATED COST PLUS FIXED FEE		\$	NTE
0102	Data for CLIN 0001 DD Form 1423 (Exhibit C) NSP – Not Separately Priced Price Included in Price of CLIN 0001	1 Lot	NSP	
0103	Enterprise Engineering Services	Hours		
	ESTIMATED COST		\$	
	FIXED FEE		\$	
	FACILITIES CAPITAL COST OF MONEY (FCCM)		\$	
	TOTAL ESTIMATED COST PLUS FIXED FEE		\$	NTE



0104	Data for CLIN 0003 DD Form 1423 (Exhibit C) NSP – Not Separately Priced Price Included in Price of CLIN 0003	1 Lot	NSP
0105	System Development and Installation	Hours	
	ESTIMATED COST		\$
	FIXED FEE		\$
	FACILITIES CAPITAL COST OF MONEY (FCCM)		\$ _____
	TOTAL ESTIMATED COST PLUS FIXED FEE		\$ NTE
0106	Data for CLIN 0005 DD Form 1423 (Exhibit C) NSP – Not Separately Priced Price Included in Price of CLIN 0005	1 Lot	NSP
0107	Other Direct Costs	1 Lot	\$NTE
0108	Travel (In accordance with JTR) (Exclusive of G&A and profit)	1 Lot	\$TBD
0109	Award Fee	1 Lot	\$TBD

**OPTION PERIOD II (June 1, 2010–May 31, 2015)**

CLIN	DESCRIPTION	QTY/UNIT	UNIT PRICE (COST REIMBURSEMENT) ESTIMATED COST AND FEE	AMOUNT
0201	Program Management Support Services	Hours		
	ESTIMATED COST		\$	
	FIXED FEE		\$	
	FACILITIES CAPITAL COST OF MONEY (FCCM)		\$ _____	
	TOTAL ESTIMATED COST PLUS FIXED FEE		\$ NTE	
0202	Data for CLIN 0001 DD Form 1423 (Exhibit C) NSP – Not Separately Priced Price Included in Price of CLIN 0001	1 Lot	NSP	
0203	Enterprise Engineering Services	Hours		
	ESTIMATED COST		\$	
	FIXED FEE		\$	
	FACILITIES CAPITAL COST OF MONEY (FCCM)		\$ _____	
	TOTAL ESTIMATED COST PLUS FIXED FEE		\$ NTE	

0204	Data for CLIN 0003 DD Form 1423 (Exhibit C) NSP – Not Separately Priced Price Included in Price of CLIN 0003	1 Lot	NSP
0205	System Development and Installation	Hours	
	ESTIMATED COST		\$
	FIXED FEE		\$
	FACILITIES CAPITAL COST OF MONEY (FCCM)		\$
	TOTAL ESTIMATED COST PLUS FIXED FEE		\$ NTE
0206	Data for CLIN 0005 DD Form 1423 (Exhibit C) NSP – Not Separately Priced Price Included in Price of CLIN 0005	1 Lot	NSP
0207	Other Direct Costs	1 Lot	\$NTE
0208	Travel (In accordance with JTR) (Exclusive of G&A and profit)	1 Lot	\$TBD
0209	Award Fee	1 Lot	\$TBD

The following CLINs will be used for awarding Firm Fixed Price Delivery/Task Orders.

**BASE PERIOD (June 1, 2000–May 31, 2005)**

CLIN	DESCRIPTION	QTY/UNIT	(FIXED PRICE) UNIT PRICE	AMOUNT
0008	Hardware and Software	1 Lot		\$
0009	Installation of HW/SW	1 Lot		\$
0010	Lease of Telecommunications Lines	1 Lot		\$
0011	Training	1 Lot		\$
0012	Other Direct Costs	1 Lot		\$
0013	Incentive/Award Fee	1 Lot		\$TBD

**OPTION PERIOD I (June 1, 2005–May 31, 2010)**

CLIN	DESCRIPTION	QTY/UNIT	(FIXED PRICE) UNIT PRICE	AMOUNT
0108	Hardware and Software	1 Lot		\$

0109	Installation of HW/SW	1 Lot	\$
0110	Lease of Telecommunications Lines	1 Lot	\$
0111	Training	1 Lot	\$
0112	Other Direct Costs	1 Lot	\$
0113	Incentive/Award Fee	1 Lot	\$TBD

**OPTION PERIOD II (June 1, 2010–May 31, 2015)**

CLIN	DESCRIPTION	QTY/UNIT	(FIXED PRICE)	
			UNIT PRICE	AMOUNT
0208	Hardware and Software	1 Lot		\$
0209	Installation of HW/SW	1 Lot		\$
0210	Lease of Telecommunications Lines	1 Lot		\$
0211	Training	1 Lot		\$
0212	Other Direct Costs	1 Lot		\$
0213	Incentive/Award Fee	1 Lot		\$TBD

The following CLINs will be used for awarding Time and Material Delivery/Task Orders.

**Note:** This is not intended to be an all inclusive list of labor categories. Offerors are requested to propose additional categories for the government to consider prior to award of the contract.

**BASE PERIOD (June 1, 2000–May 31, 2005)**

<b>CLIN</b>	<b>DESCRIPTION</b>	<b>QTY/UNIT</b>	<b>(FULLY BURDENED) UNIT PRICE</b>
0014	Labor Categories		
0014AA	Program Manager		\$
0014AB	Project Leader		\$
0014AC	Computer Scientist		\$
0014AD	Applications Programmer		\$
0014AE	Web Programmer		\$
0014AF	Systems Programmer		\$
0014AG	Systems Architect		\$
0014AH	Systems Analyst		\$
0014AJ	Systems Administrator		\$
0014AK	Network Planning Analyst		\$
0014AL	Network Control Manager		\$
0014AM	LAN Administrator		\$
0014AN	Firewall Administrator		\$
0014AP	Database Management Specialist		\$
0014AQ	Database Administrator		\$
0014AR	Database Architect		\$
0014AS	Database Analyst/Programmer		\$
0014AT	Systems Engineer		\$
0014AU	Software Engineer		\$
0014AV	Hardware Design Engineer		\$
0014AW	Network Engineer		\$
0014AX	Quality Assurance Engineer		\$
0014AY	Documentation Specialist		\$
0014AZ	Information Specialist		\$
0014BA	Inventory Control Specialist		\$
0014BB	Quality Assurance Specialist		\$
0014BC	Data Standardization Specialist		\$
0014BD	Computer Security Specialist		\$
0014BE	Software Test Specialist		\$
0014BF	Help Desk Specialist		\$
0014BG	Graphic Specialist		\$
0014BH	Logistics Specialist		\$
0014BJ	Training Specialist		\$
0014BK	Data Security Administrator		\$
0014BL	Technical Writer		\$
0014BM	Administrative Support		\$
0015	Materials (at cost plus handling fee)	1 Lot	

**OPTION PERIOD I (June 1, 2005–May 31, 2010)**

<b>CLIN</b>	<b>DESCRIPTION</b>	<b>QTY/UNIT</b>	<b>(FULLY BURDENED) UNIT PRICE</b>
0114	Labor Categories		
0114AA	Program Manager		\$
0114AB	Project Leader		\$
0114AC	Computer Scientist		\$
0114AD	Applications Programmer		\$
0114AE	Web Programmer		\$
0114AF	Systems Programmer		\$
0114AG	Systems Architect		\$
0114AH	Systems Analyst		\$
0114AJ	Systems Administrator		\$
0114AK	Network Planning Analyst		\$
0114AL	Network Control Manager		\$
0114AM	LAN Administrator		\$
0114AN	Firewall Administrator		\$
0114AP	Database Management Specialist		\$
0114AQ	Database Administrator		\$
0114AR	Database Architect		\$
0114AS	Database Analyst/Programmer		\$
0114AT	Systems Engineer		\$
0114AU	Software Engineer		\$
0114AV	Hardware Design Engineer		\$
0114AW	Network Engineer		\$
0114AX	Quality Assurance Engineer		\$
0114AY	Documentation Specialist		\$
0114AZ	Information Specialist		\$
0114BA	Inventory Control Specialist		\$
0114BB	Quality Assurance Specialist		\$
0114BC	Data Standardization Specialist		\$
0114BD	Computer Security Specialist		\$
0114BE	Software Test Specialist		\$
0114BF	Help Desk Specialist		\$
0114BG	Graphic Specialist		\$
0114BH	Logistics Specialist		\$
0114BJ	Training Specialist		\$
0114BK	Data Security Administrator		\$
0114BL	Technical Writer		\$
0114BM	Administrative Support		\$
0115	Materials (at cost plus handling fee)	1 Lot	\$TBD

**OPTION PERIOD II (June 1, 2010–May 31, 2015)**

CLIN	DESCRIPTION	QTY/UNIT	(FULLY BURDENED) UNIT PRICE
0214	Labor Categories		
0214AA	Program Manager		\$
0214AB	Project Leader		\$
0214AC	Computer Scientist		\$
0214AD	Applications Programmer		\$
0214AE	Web Programmer		\$
0214AF	Systems Programmer		\$
0214AG	Systems Architect		\$
0214AH	Systems Analyst		\$
0214AJ	Systems Administrator		\$
0214AK	Network Planning Analyst		\$
0214AL	Network Control Manager		\$
0214AM	LAN Administrator		\$
0214AN	Firewall Administrator		\$
0214AP	Database Management Specialist		\$
0214AQ	Database Administrator		\$
0214AR	Database Architect		\$
0214AS	Database Analyst/Programmer		\$
0214AT	Systems Engineer		\$
0214AU	Software Engineer		\$
0214AV	Hardware Design Engineer		\$
0214AW	Network Engineer		\$
0214AX	Quality Assurance Engineer		\$
0214AY	Documentation Specialist		\$
0214AZ	Information Specialist		\$
0214BA	Inventory Control Specialist		\$
0214BB	Quality Assurance Specialist		\$
0214BC	Data Standardization Specialist		\$
0214BD	Computer Security Specialist		\$
0214BE	Software Test Specialist		\$
0214BF	Help Desk Specialist		\$
0214BG	Graphic Specialist		\$
0214BH	Logistics Specialist		\$
0214BJ	Training Specialist		\$
0214BK	Data Security Administrator		\$
0214BL	Technical Writer		\$
0214BM	Administrative Support		\$
0215	Materials (at cost plus handling fee)	1 Lot	\$TBD

**Note:** Any combination of contract type CLINs may be used for a Delivery/Task Order. The type will be based on the requirement identified under the Delivery/Task Order. Cost proposals will be submitted for each Delivery/Task Order based on a costing structure as provided above.

### **B.3 Delivery/Task Order Structure**

The Government retains the right to issue a Delivery/Task Order as a Cost-Reimbursable, Firm-Fixed-Price or Time-and-Material type order. The Contracting Officer will make the decision based on the requirement. The costing structure will be provided for proposal purposes.

The Government retains the right to issue a Delivery/Task Order with a fee structure (e.g., incentive, award, fixed) based on the requirement. The Delivery/Task Order will identify what the Government will incentivize and identify a fee structure.

## Section C

# Statements of Work

## C.1 Introduction

### C.1.1 Background

The United States Customs Service, herein referred to as Customs, is issuing this Request for Proposals (RFP) for Customs Modernization. Customs intends to conduct an evaluation of responses to this proposal and select a Prime Contractor to serve as a long-term partner in the modernization of Customs business processes and supporting information technology. The Prime Contractor, with associated teaming partners and subcontractors, is hereinafter known as the Contractor.

The Contractor will support the mission of Customs, as articulated by the following statement from the Commissioner:

“We are the guardian of our Nation’s borders – America's frontline. We serve and protect the American public with integrity, innovation, and pride. We enforce the laws of the United States, safeguard the revenue, and foster lawful international trade and travel.”

The Contractor will support Customs core values of Integrity, Accountability, Fairness, Service and Pride. These core values are reflected in an over-arching integrity goal established by the Commissioner. This goal states that Customs and its employees, hence the Contractor, hold a responsibility to ensure that the business of Customs is conducted in a fair and equal manner to all parties.

The Contractor will assist Customs in ensuring that all goods and persons entering and exiting the United States do so in compliance with all United States laws and regulations.

Customs annually collects more than \$20 billion in revenues, and processes more than twelve million formal entries a year, 55 percent of which involve merchandise subject to quota or other trade programs. Customs also monitors an average of ten million annual export shipments, and processes nearly 450 million passengers entering the United States. This global trading system continues to expand and rapidly change as trade barriers are lowered, bilateral and trilateral agreements are reached, free trade zones are created, and developing nations continue to industrialize. In this environment, Customs plays an increasing role in countering the dual threats of narcotics smuggling and terrorist infiltration at U.S. borders.



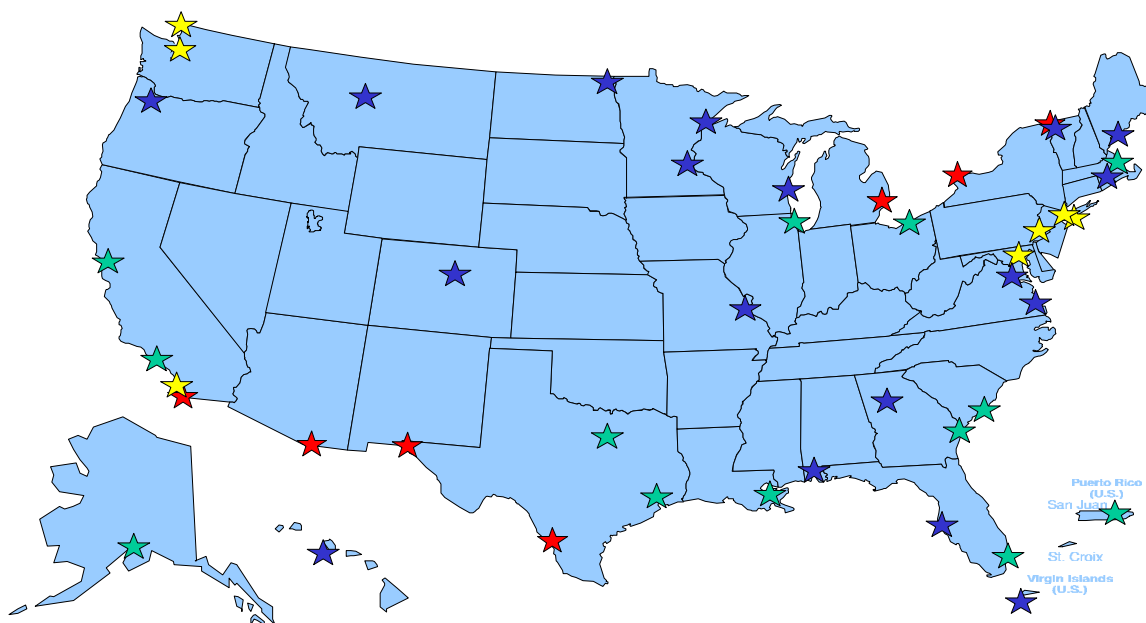
As shown in Figure C.1.1-1, Customs has over 40 service centers in its national network. In addition to these service centers, Customs manages over 300 ports-of-entry.

External changes, coupled with an austere fiscal climate, growing pressure for reduced government, continuing public demands for greater accountability, efficiency, and effectiveness, and direct-customer demands for increased customer service, provide a unique set of challenges for Customs.

### C.1.2 Strategic Objectives and Goals

At the highest level, the Modernization Program and the Contractor/Customs partnership are being created to improve efficiency, increase effectiveness, and reduce costs for Customs and all of its Communities of Interest. The ability to meet these objectives depends heavily on successfully modernizing Customs business processes and the information technology that supports those processes.

In support of achieving these highest level objectives, Customs has developed a strategic goal for each of its core and mission support processes. Those goals are listed below in Table C.1.2-1 and documented in detail in the *U.S. Customs Service Strategic Plan Fiscal Years 1997–2002*.



**Figure C.1.1-1 Customs Service Ports**

**Table C.1.2-1 Customs Processes and Strategic Goals**

Narcotics	Prevent the smuggling of narcotics into the United States by creating an effective narcotics interdiction, intelligence, and investigative capability that disrupts and dismantles smuggling organizations.
Money Laundering	Identify, disrupt, and dismantle the systems and criminal organizations that launder the proceeds generated by smuggling, trade fraud, and export violations.
Trade Compliance (imports)	Maximize trade compliance through a balanced program of informed compliance, targeted enforcement actions, and the facilitation of complying cargo.
Passenger (in and out)	Ensure compliance by targeting, identifying, and examining high-risk travelers, and allowing the expeditious movement of low-risk travelers.
Outbound (exports)	Facilitate international trade while achieving the highest degree of compliance with U.S. export requirements to protect national security, economic interests, and the health and safety of the American people.
Information and Technology	Maximize the use of information and technology to enhance productivity, support business processes, and meet the challenges of the Customs mission in accordance with the principles outlined in the Clinger/Cohen Act.
Finance	Be recognized as a leader in financial management, by providing the highest quality, and most cost effective, financial management services through customer involvement, an empowered work force, and modern and integrated financial systems.
Human Resources Management	As a strategic partner and change agent, provide high quality, low cost Human Resources Management Services that support Customs mission and are responsive to the needs of managers.

### **C.1.3 Modernization Program Overview**

The Modernization Program is an enterprise approach to meeting the strategic goals and objectives of Customs and its Communities of Interest. It includes the planning, defining, developing, and implementing of an integrated and supportable set of automation systems that enable Customs to achieve its strategic goals and objectives. These systems shall be developed using state-of-the-art technology.

The Modernization Program is being structured in a manner that will facilitate success and ensure focus on meeting Customs strategic aims. Executive oversight, guidance, and planning for the Modernization Program will be provided by an Executive Steering Committee (ESC) chaired by the Commissioner of Customs, with participation by executive representatives from the Customs Communities of Interest. A senior Customs executive serving in the role of Modernization Executive will provide direction for the Modernization Program. Implementation and management of the Program and the associated projects is the responsibility of Customs and its partner—the Contractor.

## **C.2 Legislation**

The mission of the Customs Service still reflects the activities envisioned when the first U.S. Congress, in 1789, enacted laws providing for levying and collecting duties. Today, with 19,000 employees at more than 300 ports of entry, Customs responsibilities are greatly expanded through the enactment of laws to protect citizens from dangerous drugs, hazardous materials, unsafe products and environmental degradation, and the dramatic increase in global trade and travel.

While Customs owes its creation to the Second, Third, and Fifth Acts of the First Congress in 1789, its organizational structure is of relatively recent origin with major changes occurring in 1913, again in 1964, and again in 1995. The last change positioned the Service to more effectively and efficiently meet the challenges of the 21st Century.

Recent appropriation language continues the tradition of having Customs focus on balancing its multi-agency and international enforcement responsibilities with the need to efficiently process legitimate trade entering and exiting the United States. Customs also has specific requirements to focus research funds on technology to prevent the illegal export of stolen vehicles, open new ports of entry, and expand service at existing ports of entry.

In addition, the appropriation language cites the following ongoing responsibilities to be administered by Customs: 1) revenue collection, 2) accurate collection and reporting of import and export statistics, 3) protection of domestic industry and jobs from illegal and unfairly subsidized imports, and 4) regulatory audit and laboratory services.

The environment in which Customs now functions has changed significantly since the development of much of Customs existing automated systems. Recent major legislation, important federal executive initiatives, and new international trade programs require that Customs reexamine how it carries out its fundamental business and organizational processes and procedures.

The Contractor shall be knowledgeable of all legislation relative to the Customs missions and shall support Customs in complying with all current and future legislation and other congressionally directed conditions that may have an impact on the Customs modernization plans. The Contractor shall apply all legislation applicable to Customs to this contract.

Section J.6 contains a partial listing of current Federal, Treasury, and Customs legislation, directives, and circulars applicable to Customs.

### **C.3 Business Processes and Customs Systems Overview**

#### **C.3.1 Systems View**

The Customs systems fall into three general categories. These three categories will be used for systems descriptions in this RFP:

- Commercial – Trade Compliance and Outbound processes
- Enforcement – Passenger, Narcotics and Money Laundering strategies and processes
- Administration – Finance, Human Resources Management, and Information Technology processes

##### **C.3.1.1 Commercial Processes**

Commercial systems support trade compliance (import) and outbound (export) processes. Trade compliance includes enforcement of laws and regulations associated with the importation of goods into the United States. To ensure trade compliance, Customs: (1) works with the trade community to promote understanding of applicable laws and regulations; (2) selectively examines cargo to ensure that only eligible goods enter the country; (3) reviews information associated with cargo entries to ensure that they are properly valued and classified; (4) collects billion of dollars annually in duties, taxes, and fees associated with imported cargo; (5) assesses fines and penalties for noncompliance with trade laws and regulations; (6) seizes and accounts for illegal cargo; (7) manages the collection of these monies to ensure that all trade-related debts due to Customs are paid and properly accounted; and (8) enforces other agency regulations and laws. By the year 2000, Customs estimates that imports will be valued at \$2.6 trillion.

The overall goal of the outbound process is to maximize the degree of compliance with export requirements while simultaneously facilitating international trade. Outbound business process includes Customs enforcement of laws and regulations associated with the movement of merchandise and conveyances from the United States. To accomplish these functions, Customs: (1) selectively inspects cargo at U.S. ports to guard against the exportation of illegal goods, such as

protected technologies, stolen vehicles, and illegal currency; (2) collects, disseminates, and uses intelligence to identify high-risk cargo and passengers; (3) assesses and collects fines and penalties associated with the exportation of illegal cargo; and (4) examines baggage and cargo at airport facilities for explosives and nuclear materials. By the year 2000, Customs estimates that exports will be valued at \$1.2 trillion, as compared to a reported \$696 billion in 1994.

For trade compliance, Customs and the Contractor will jointly develop the Automated Commercial Environment (ACE) system. This system will replace the existing Automated Commercial System (ACS) as a means of achieving compliance with the Customs Modernization Act. Other related objectives for ACE include improved trade compliance, administration and enforcement of the North American Free Trade Agreement (NAFTA) and other trade agreements, increased international cooperation, and improved fiscal management.

For outbound, the modernization plans are to redesign the process to improve clarity, consistency, and compliance with export requirements. Other related objectives are to aggressively interdict, investigate, and support prosecution of willful violators of outbound laws, embargoes, and sanctions with the primary focus on terrorism, currency, stolen vehicles, and controlled commodities, and to enhance aviation security in both passenger and cargo shipments.

For both trade compliance and outbound, Customs collects and disseminates trade data within the federal government. Accurate trade data are crucial to establishing accurate trade statistics on which are based trade policy decisions and negotiate trade agreements with other countries. In addition, Customs has the objective to become the lead government agency in the electronic collection of all trade-related data and the dissemination of that data within the government. Customs will build a secure information architecture that supports its strategic intent to become a national information resource.

### **C.3.1.2 Enforcement Processes**

Enforcement includes activities to detect and eliminate smuggling operations, including narcotics and money laundering operations. Customs works with other agencies and foreign governments to reduce drug-related activity by interdicting (seizing and destroying) narcotics, investigating organizations involved in drug smuggling, and deterring smuggling efforts through various other methods. Customs also develops and provides information to the trade and carrier communities to assist them in their efforts to prevent smuggling organizations from using cargo containers and commercial conveyances to introduce narcotics into the United States.

A modernization goal for Customs enforcement is to further disrupt and dismantle smuggling organizations. To accomplish this goal, Customs will work with the Contractor to improve coordination with Federal, state, local, and international

agencies, improve intelligence collection, analysis, and dissemination, provide information to the trade and carrier communities to help them deter smuggling, and improve investigative tactics. Automated systems will be developed to improve the targeting of high-risk travelers and merchandise while simultaneously expediting the movement of non-suspect goods, conveyances, and travelers. Technology will be introduced to improve contraband detection and to move travelers, merchandise, and conveyances expeditiously.

The passenger process includes processing all passengers and crew of arriving and departing air, sea, and land conveyances and pedestrians. Activities include targeting high-risk passengers, which requires timely and accurate information, and physically inspecting selected passengers, baggage, and vehicles to determine compliance with laws and regulations. The goal of the passenger process is to attain a 99% compliance rate with Customs laws and regulations by targeting, identifying and examining high-risk travelers, while expediting low-risk travelers. By the year 2000, Customs expects almost 500 million passengers to arrive in the United States annually. Many of Customs passenger activities are coordinated with other federal agencies, such as the Immigration and Naturalization Service and the Department of Agriculture's Animal and Plant Health Inspection Service.

The modernization goal for the passenger process is to develop methods to select high-risk passengers in advance of arrival. Automation enhancements and technological innovations, such as improved targeting systems, bimetric screenings, and license plate readers will be critical modernization improvements.

#### **C.3.1.3 Administration Processes**

The goal of the administration processes is to improve the operations of the Customs Service to meet the needs of its internal and external customers. By having effective and user friendly automated systems, Customs can improve targeting of potential violators while providing efficient processing for the trade and timely and accurate trade data. Efficient and effective financial systems allow Customs managers to focus on their primary responsibilities. They also provide assurance to the American public that Customs is managing its tax dollars well. Finally, by having highly effective hiring, training, and personnel assistance programs, Customs can ensure that it hires the best talent with the highest integrity to fill its legal and regulatory enforcement positions. Many processes fall under the administration heading, including Finance, Human Resources, and Information Technology.

It should be noted that this section addresses revenue systems from a systems perspective. From a business process perspective, Customs revenue systems belong to the commercial processes.

The Finance process includes asset and revenue management activities. Asset management consists of activities to: (1) formulate Customs budget, (2) properly allocate and distribute funds, and (3) acquire, manage, and account for personnel, goods, and services. Revenue management encompasses all Customs activities to identify and establish amounts owed Customs, collect these amounts, and accurately report the status of revenue from all sources. Sources of revenue include duties, fees, taxes, and forfeited currency and property. The revenue management activities interrelate closely with the revenue collection activities in the trade compliance, outbound, and passenger business areas. A modernization goal for finance is to create a framework of secure, integrated, user friendly, financial systems that service customers and users.

The Human Resources process is responsible for filling positions, providing employee benefits and services, training employees, facilitating workforce effectiveness, and processing personnel actions for Customs 19,000 person workforce. The modernization goal is to design more streamlined and efficient systems. In the Human Resource vision of the future, both managers and employees will have direct access and input capability to numerous human resource systems to improve service and access to information.

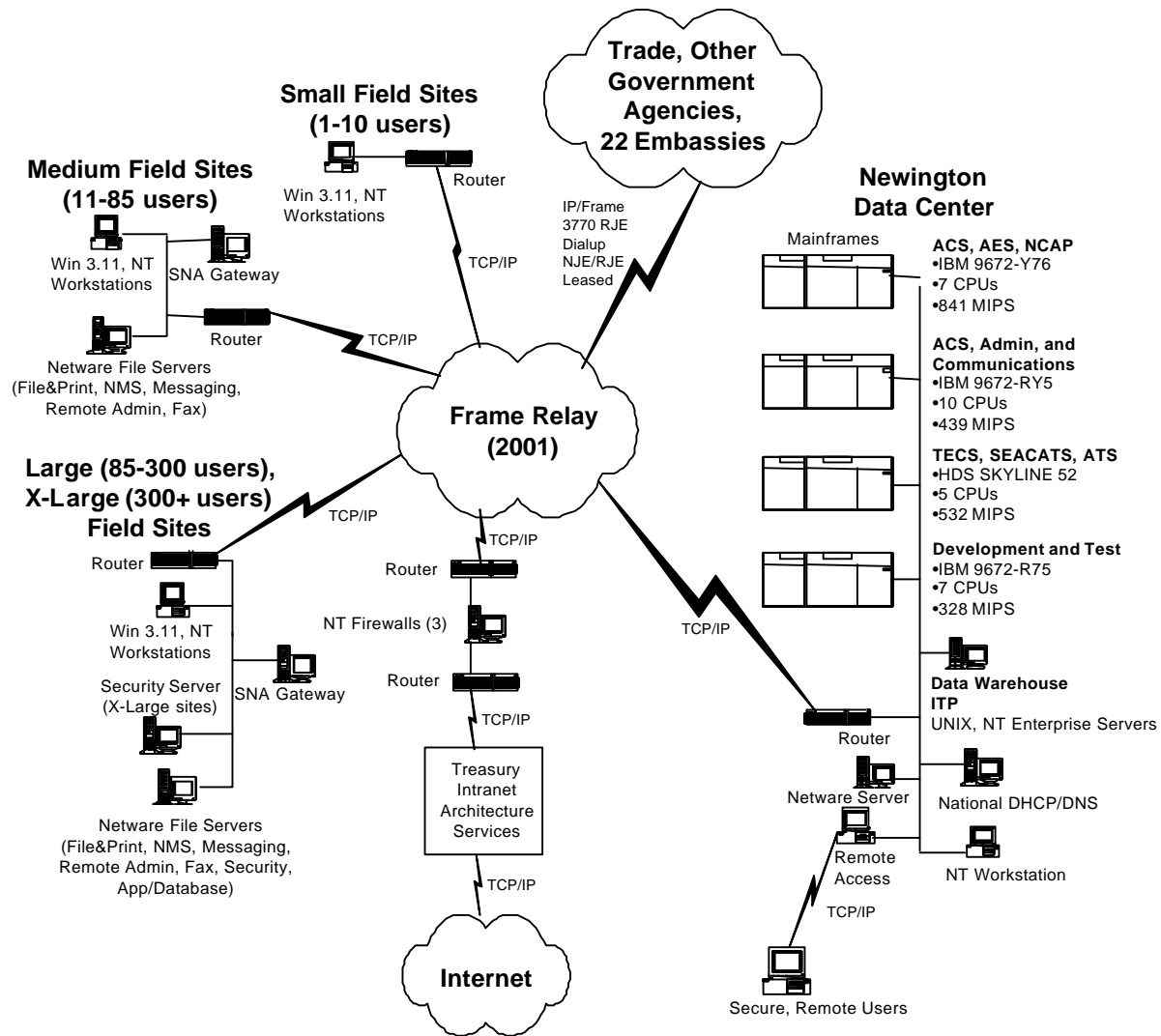
### **C.3.2 Current Systems Background**

Customs has a large number of complex automated systems in operation today to support its business functions. Each system is being maintained and in some cases is undergoing improvements to the functions or the supporting infrastructure. New systems are also under development as are prototypes and locally developed solutions. Figure C.3.2-1 provides an infrastructure diagram of Customs to provide insight into the types and deployment of many of the key systems. It should be noted that the Frame Relay capabilities are currently being implemented with estimated completion early in 2001.

For purposes of discussion in this document, information systems have been organized into four groups below. These are:

- Commercial systems
- Enforcement systems
- Administration systems
- Initiatives, prototypes, and systems under development

The key systems are described in this section, but this list is not exhaustive and will change over time to reflect changes to Customs mission. The Customs Systems Overview Document referenced in J.4 provides descriptions of many more systems. The Overview Document also provides more extensive descriptions of ACS and ACE.



**Figure C.3.2-1 Infrastructure Diagram for Customs**

### C.3.2.1 Commercial Systems

Commercial systems support the trade compliance and outbound processes. More than fifteen commercial systems currently exist. This section describes two significant commercial systems:

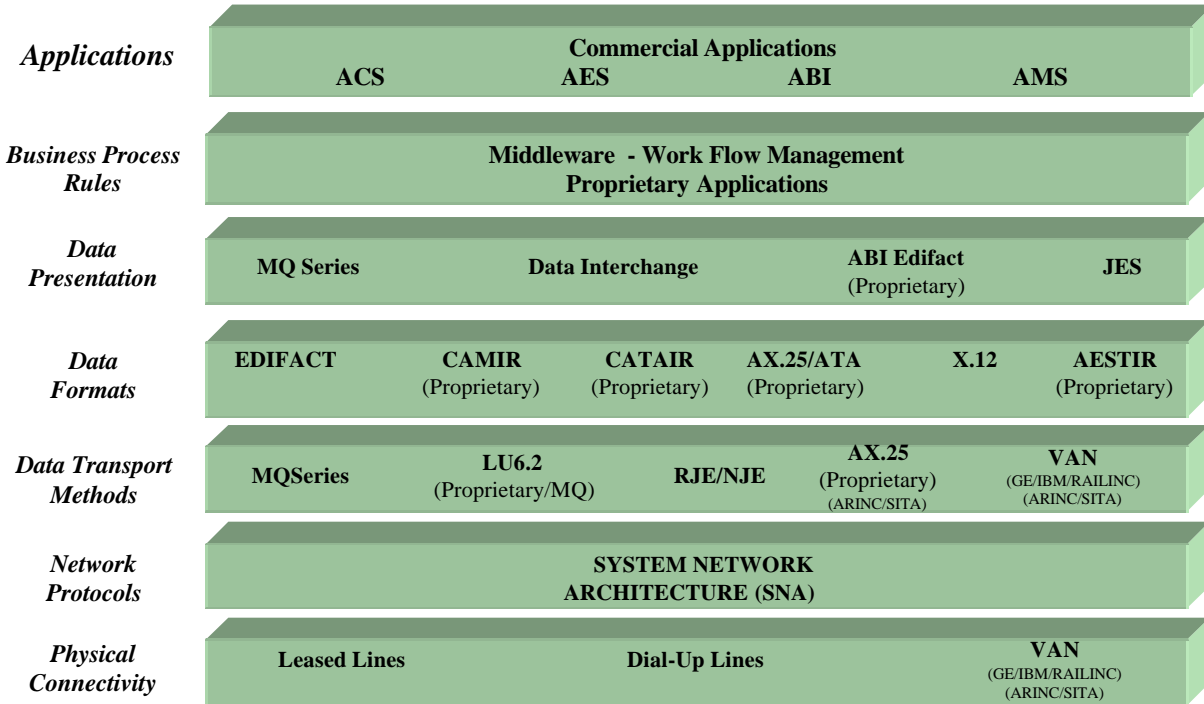
- Automated Commercial System (ACS) – the primary trade compliance system
- Automated Export System (AES) – the primary outbound system



The Automated Commercial System is a highly integrated computer environment that uses a central processing system and a central database to track, control and process all goods imported into the United States. Through the use of Electronic Data Interchange (EDI), and the automated targeting of high risk shipments, ACS facilitates merchandise processing, significantly cuts costs, and reduces paperwork requirements for both Customs and the importing community. ACS consists of many applications including an Automated Broker Interface (ABI) through which importers' Customs declarations are filed and an Automated Manifest System (AMS) through which carriers' import cargo manifests are filed. The system became operational in 1984 and continues to be improved with new features. It operates 24 hours a day for 365 days a year on a large mainframe in Newington, Virginia. ACS currently supports over 15,000 Customs users, processes over 17 million import shipments per year, and accounts for the collection of more than \$20 billion in revenue annually. Customs anticipates that ACS will be the initial system to be modernized under Customs modernization.

The Automated Export System allows electronic transmissions of key export data from exporters, exporter's agents, and outbound carriers. Information collected by AES is routed to the appropriate government agency for action or storage. AES provides improved compliance with export control laws and license requirements of other agencies while also facilitating trade. For exporters, exporter's agents, and outbound carriers, AES provides a streamlined electronic filing process, which significantly reduces paperwork. The Bureau of the Census uses the information to provide more accurate export trade statistics. Customs uses the information to identify high-risk shipments for examination. AES has been operational 24 hours per day, 7 days per week at all Customs seaports, airports, and land borders since July 1997. Current functionality includes the electronic equivalent of the Shipper's Export Declaration (SED), the Customs Outbound Manifest for vessel shipments and related booking information, and license management. Major new features planned over the next few years include air and rail manifests, drawback, in-bond, interfaces with various government agencies, and compliance measurement.

The infrastructure for the commercial systems is fairly complex, as illustrated in Figure C.3.2-2.



**Figure C.3.2-2 Commercial Systems Infrastructure**

### C.3.2.2 Enforcement Systems

Enforcement systems provide law enforcement capabilities to ensure all goods and persons entering and exiting the United States do so in compliance with all United States laws and regulations. Several enforcement systems currently exist. This section describes three significant systems:

- Treasury Enforcement Communications System (TECS) – the primary enforcement system
- Seized Currency and Asset Tracking System (SEACATS) – a system that tracks all activity associated with seizures
- Automated Targeting System (ATS) – provides targeting of imports, exports, and passengers for violations of laws, treaties, quotas, and policies

The Treasury Enforcement and Communication System is the cornerstone of Customs information management strategy for providing support for federal law enforcement missions. The primary mission of TECS is to support inspection personnel at borders and ports of entry, but TECS also supports a variety of other mission areas, including investigations, interdiction, and intelligence analysis. TECS provides major automation for the Interagency Border Inspection System (IBIS), serving as the clearinghouse for law enforcement data and provides border

inspection support software and communications. TECS also provides significant support for the SEACATS. Within TECS, a suite of different subsystems provides a number of query capabilities and access to other systems.

TECS is used to track criminal enforcement information. When a trade compliance issue is deemed to be eligible for criminal investigation, information regarding the situation is entered into TECS. Future initiatives for TECS may improve case management and provide support for fingerprint processing.

The Seized Currency and Asset Tracking System tracks all activity associated with seizures from the initial enforcement interest in the property until its final disposition. Activities include recording values associated with the property; tracking and recording costs associated with the seizure, maintenance, storage, and disposition of the property; and processing all financial activity associated with the property to include fines, collections, and equitable sharing of proceeds from the disposition of the property with other law enforcement entities. Agencies which are members of the Treasury Forfeiture Fund are: Customs, Secret Service, Alcohol, Tobacco, and Firearms (ATF), and Internal Revenue Service (IRS).

The Automated Targeting System provides four major enforcement components.

ATS-Anti-Terrorism (ATS-AT) – Supports the Congressional mandate for Customs to develop a system able to target high-risk outbound shipments aboard passenger aircraft. This decision support tool helps the Customs more efficiently interdict, investigate, and support prosecution of violators of outbound laws, embargoes, and sanctions, with the primary focus on terrorism, currency, stolen vehicles, and controlled commodities. A rule-based expert system, ATS-AT automatically reviews electronically filed export documentation processed through the AES. Through its rule manager, ATS-AT compares each documentation record with inspector-defined criteria for high-risk shipments and ranks the shipments based upon their level of suspicion. Guided by the results of the system, inspectors can devote more of their time to likely export violations.

ATS-Passenger (ATS-P) – Replaces the Worldwide Alien Narcotics Trafficking System (WANTS) effective October 1999. In continuing to serve the Combined Agency Border Intelligence Network (CABINET), ATS-P will target suspects for transnational crimes, including narcotics trafficking and money laundering. It offers every available I-94 record and provides users with a Customer Information Control System (CICS) interface, and by March 2000, a Web interface. It supports both interfaces with the same Oracle stored procedures.

ATS-Narcotics (ATS-N) – Assists Customs inspectors and other field operations staff by performing high-speed automated review and analysis of shipment data, and ranking shipments by level of suspicion for illegal narcotics activity. ATS-N provides inspectors with a Web-based decision support tool to:

- Screen arriving cargo for narcotics or contraband and other violations of import regulations and laws
- Target suspicious shipments for examination
- Seize contraband or initiate controlled delivery to apprehend the involved criminals
- Assess and collect fines and duties owed to the United States under prevailing tariffs, regulations, and law

Trend Analysis and Analytical Selectivity Prototype (TAP) – Improves Customs ability to examine, locate, and target for action violations of United States laws, treaties, quotas, and policies regarding international trade. TAP offers trend analysis and targeting components. The trend analysis function summarizes historical statistics that provide the “big picture” of trade activity for commodities, importers, manufacturers, shippers, nations, and filers. The targeting component reviews shipments and generates risk scores for imports. Targeted findings allow users to perform research in the trend analysis component and detect other areas of noncompliance. The trend analysis component lets users identify anomalous trade activity in aggregate. By rapidly reviewing shipping documentation and identifying high-risk shipments, TAP allows import specialists to devote more time to potential trade violations, thus improving the effectiveness of trade law enforcement.

#### **C.3.2.3 Administration Systems**

Administration systems provide financial, human resources management, and field administration capabilities. These applications vary greatly in the size of the user base; from those supporting a small limited constituency to those used by every employee of Customs. More than 47 administration systems currently exist. This section describes two of the significant systems: the (American Management Systems, Inc.) Federal Financial System (FFS) and the Human Resources Management (HRM) systems.

The financial systems comprise Customs core general ledger application, the FFS and many ancillary financial applications that interact with FFS. This combination of Systems is commonly referred to as the Asset Information Management System (AIMS). The financial systems support users in the Office of Finance as well as a broad spectrum of headquarters and field users performing an array of required budget, logistics, payroll, procurement and accounting functions. All of these functions are linked to core budget tables to ensure effective funds control and all have interfaces to FFS for recording accounting transactions.

The Human Resources Management systems provide specific support to the personnel process. HRM applications mirror the process flow for vacancy announcement, recruitment, pre-employment screening, and recording and tracking the various personnel actions that take place during an employee’s career. In addition to on-line transaction processing, HRM systems provide an Interactive

Voice Response (IVR) component called “Pathfinder” which allows employees to gain access for reviewing and changing their personal information.

#### **C.3.2.4 Initiatives, Prototypes, and Systems Under Development**

This section provides brief descriptions of many information technology initiatives, prototypes, and systems under development at Customs. These descriptions provide insight into some of the plans and future directions for Customs. It should be noted that the Enterprise Architecture (EA) provides baseline and strategic targets that provide insight into the future directions for Customs Information Technology (IT). In addition to the major initiatives listed in this section, Customs maintains and improves existing systems and infrastructure under life support activities. The systems described in this section include:

- International Trade Data System (ITDS) – A proposed system to serve as a clearinghouse for all trade-related data
- Enterprise Data Warehouse (EDW) – Data warehouse to support analytical processes
- National Customs Automation Program (NCAP) – A prototype that demonstrates selected aspects of the trade compliance program as a precursor to ACE
- Human Resources Information System (HRIS) – A new Human Resource Management system being developed using PeopleSoft.
- International Trade Prototype (ITP) – A prototype with the United Kingdom to exchange import and export data via a single seamless transaction.
- Quality Planning for Asset Management (QPAM) – An Office of Finance initiative to replace legacy financial systems with a new, integrated, commercial-off-the-shelf (COTS) solution.

The International Trade Data System will accommodate the need for a single interface that all trade stakeholders may use to submit data and retrieve data and reports. Trade stakeholders include all commercial trade organizations as well as all government agencies. The functionality of ITDS is now part of Customs Modernization and will be implemented as part of ACE.

The Enterprise Data Warehouse extracts data from many transactional systems to enable easy, flexible analyses by Customs staff. The EDW consists of the wholesale data warehouse, the retail data warehouses, the mechanisms to transport data among the transaction systems and the wholesale and retail warehouses, and the coordination necessary to ensure timely and appropriate delivery of data. The wholesale data warehouse acquires data from many Customs systems and stores the data in a CA Datacom repository. Data from the main data warehouse is then pushed periodically to smaller data marts on individual Oracle databases residing on Unix systems. The data marts are individually designed for specific Customs users.

The users currently analyze the data in the data marts using the Cognos Powerplay and Impromptu analytical tools. Future systems developed by the Contractor will need to support data feeds to the Enterprise Data Warehouse.

The National Customs Automation Program is an ACE prototype (also called NCAP/P) developed in response to legislative requirements in the Customs Modernization Act and to demonstrate selected aspects of the trade compliance program as a precursor to ACE. It is currently deployed and operational at three ports of entry: Detroit, Port Huron, and Laredo.

After pre-identifying parties to transactions, their relationships, and commodity data, trade participants are able to import goods at the given locations with a minimal amount of data before arrival. Entry summary data is transmitted electronically after the border crossing. This allows Customs to provide for payment of duties, taxes, and fees on a monthly statement cycle and to generate detailed summary reports of accounts on a monthly basis. Other planned components of NCAP include electronic bond filing, electronic penalty processing, and remote location filing. Transponder technology has been introduced to eliminate the need for paperwork and the manual “wandering” of bar codes at the primary booth. The transponder automates the detection and identification of the truck at the booth to expedite processing.

The Human Resources Information System is a multi-phased initiative being developed using PeopleSoft that will serve Human Resource Management as the primary source of employee and organizational data to support daily operating processes for all of Customs. The first phase eliminates legacy HR systems. The second phase includes the payroll interface to the United States Department of Agriculture (USDA) and establishment of the full employee database, hire maintenance, benefits, government reporting, corporate reporting and performance management.

The International Trade Prototype is a test of internationally coordinated export and import Customs procedures that is being conducted jointly by the United States Customs Service and Her Majesty's Customs and Excise (HMCE) of the United Kingdom. ITP is a major project to develop, test, operate, and evaluate a prototype that allows goods to move across borders on the basis of minimal information supplied electronically in the exporting country. It is a prototype and is targeted for integration into the ACE system. Its primary purposes are:

- To allow Customs and HMCE to test the concept of sharing minimal standardized export information to expedite the release of cargo at the import destination
- Integration of import and export transaction processing in a single automated system

- Direct, real-time exchange of transactional data between Customs and a foreign customs authority
- Use of the Internet for Trade submission of transaction data (United States Trading Partners only) using Virtual Private Network technology to secure the Internet transactions

## **C.4 Customs Communities of Interest**

Customs automated systems support various internal user organizations and a wide variety of external public and private sector organizations. As a whole, these organizations, agencies, and groups are referred to as Customs Communities of Interest in this RFP. In planning, designing and implementing systems, and in providing support and resolving problems for users of those systems, the Contractor shall on a regular basis coordinate and collaborate with users and other stakeholders representing these various organizations. Development of Customs systems is often complicated by the need to integrate the requirements of many diverse public and private interests.

Customs commercial and enforcement systems used for processing international passengers and trade transactions affect a broad range of federal agencies. The ITDS Project Office has identified 104 federal agencies with trade-related law enforcement, regulatory, statistical, analytical and policy missions. The following examples describe the primary interests and automated interfaces of federal agencies with current Customs systems. Those agencies not currently interacting with Customs systems have basic statistics gathering interest in international trade. It is expected that the broad scope of the ITDS initiative will include automated report generation to satisfy the varied needs of these agencies.

- The Treasury Enforcement Communication System supports 20,000 users in 14 federal agencies. TECS also supports agency missions by screening conveyances, crews, and airline passenger manifests against Federal Aviation Administration (FAA), Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), and Immigration and Naturalization Service (INS) databases. In addition, SEACATS supports approximately 50 users in 5 federal agencies and the National Property Contractor (EG&G).
- The Automated Commercial System supports Animal and Plant Health Inspection Service (APHIS) and Fish and Wildlife Service (FWS) users who screen imported cargo and Department of Commerce users who maintain databases used for processing antidumping and countervailing duty cases. ACS also supports a real-time interface with the Food and Drug Administration (FDA) system for reporting and releasing goods regulated by FDA. ACS also collects and forwards import data to the Department of

Transportation (DOT) and the Federal Communications Commission (FCC) for goods they regulate.

- The Automated Export System supports export compliance and license requirements of other agencies. Currently, the Departments of Commerce and State have interfaces with AES. Links to TECS also provide validation of some license data. Additional interfaces are planned for the future.
- ACS and AES are principal sources of international trade statistics compiled by the Bureau of the Census. These trade statistics are subsequently used by other federal agencies for economic decision making, negotiation of trade agreements and detection of unfair trade practices.

Customs maintains an interface with many other Agencies of the Federal government. These agencies have responsibilities that run from statistics collections to setting marketing practices for farmers. Customs collects data on imported products ranging from fresh fruits and vegetables to Petroleum products and swordfish. Customs also verifies compliance with many other agencies' regulations. Customs maintains major interfaces with the following agencies:

- USDA– Customs provides tapes for the collection of Agriculture fees on imported agricultural products (e.g., watermelon, cotton, limes).
- APHIS officers use ACS to screen import manifest data.
- Bureau of the Census provides data edit criteria and extracts information for U.S. international trade statistics from AES and ACS.
- DEA provides tapes of narcotics violator information.
- Department of State: Monitors Class E lookouts.
- DOT and the National Highway Traffic Safety Administration (NHTSA): Customs collects declarations of compliance of imported vehicles and equipment with safety, bumper and theft prevention standards.
- Environmental Protection Agency (EPA) – Customs Inspectors and Import Specialists verify compliance by Importers to the Toxic Substance Control Act (TSCA).
- FAA provides data on registered aircraft ownership.
- FBI: TECS is interfaced with National Crime Information Center (NCIC) databases.
- FCC: Customs collects information on imported radio frequency devices.
- FWS: Customs collects information on imported fish and wildlife products; Fish and Wildlife Service officers use ACS to review and release these imported goods; ACS forwards notifications to trade participants.



- FDA: Customs collects information on imported food and drug products, transfers data to the FDA OASIS system, receives examination and release instructions from OASIS, and forwards notifications to trade participants through ACS.
- INS provides alien immigration records; INS officers are TECS users.
- IRS: Verifies Bank Secrecy Act data.
- National Law Enforcement Telecommunications System (NLETS): Verifies motor vehicle registration, driver license, and criminal history data from the state and local law enforcement network.
- Other Federal Organizations – Customs provides tapes of data to about fifteen other agencies.
- State Organizations – Customs provides forty-five states with entry summary information for use in collecting sales and use taxes on imported merchandise.

Customs maintains interfaces to commercial private sector systems and databases, including:

- ARINC, Inc. and SITA, Inc.: Monitor of advance passenger listings.
- Dun & Bradstreet: Obtain company descriptions and information.
- Official Airline Guide: Verify airline schedules.
- CrissCross and Metronet: Obtain demographic and telephone information.
- TRW, Inc.: Obtain real estate transfer and value information.

Customs also maintains interfaces with foreign government agencies that electronically transmit certifications of exported goods for food safety and textile quota administration. In the future, inter-governmental exchange of trade declaration data may also be commonplace.

The effective operation of Customs commercial systems also has a direct impact on the efficient movement of goods across U.S. borders. Exporters and freight forwarders file export goods declarations. Export carriers file export cargo manifests and receive cargo examination notifications. Importers and Customs brokers file import goods declarations; receive requests for additional information; receive shipment hold, examination and release notifications; receive statements; and pay duties, taxes and fees. Import carriers and freight deconsolidators file import cargo manifests and receive shipment hold and release instructions. Each of these groups relies on Customs automated screening of the export and import data they provide to permit expedited movement of low-risk cargo. Approximately 2,500 private companies currently use ACS for import cargo processing; and trade participation in AES is growing rapidly. Many of these companies are highly dependent on current

Customs systems and are very sensitive to costs imposed by transition to new systems. New systems must provide a reasonably convenient transition path for trade community users of current Customs systems.

Future Customs commercial systems will provide support for additional categories of trade community participants. Additional support is planned for express freight carriers, customs bonded warehouse and foreign trade zone operators, sureties and attorneys.

In recent years, the focus for Customs discussions with the trade community of proposed changes in Customs trade compliance business processes and automated systems has been the Trade Support Network (TSN). The membership of the TSN represents all sectors of the importing trade community, including importers, Customs brokers, carriers, freight forwarders, deconsolidators, customs bonded warehouse and foreign trade zone operators, sureties, consultants, attorneys, and developers of Customs interface software. For outbound process and automation issues, the similar AES Trade Resource Group (TRG) is consulted. Customs also consults frequently with trade groups such as:

- Air Couriers' Conference of America
- Air Transport Association
- American Association of Exporters & Importers
- American Association of Port Authorities
- American Electronics Association
- American Trucking Association
- Association of American Railroads
- Auto Industry Action Group
- Customs Electronic Systems Advisory Committee
- Joint Industry Group
- National Association of Foreign Trade Zones
- National Customhouse Brokers and Freight Forwarders Association of America

## **C.5 Scope of Modernization Program**

The Modernization Program's scope is all inclusive of the Customs enterprise. The *U.S. Customs Service Strategic Plan Fiscal Years 1997–2002*, provides the strategic objectives and associated high level strategies of the U.S. Customs Service that are the genesis of the Customs Modernization Program.

The Strategic Plan identifies automation and technology as the primary enablers for achieving the strategic objectives for each process and strategy. Planning, defining, developing, and implementing an integrated and supportable set of modern automation systems using state of the art technology that enable achievement of the strategic objectives is, in essence, the Modernization Program. The details of the individual projects to be undertaken as part of the Modernization Program are still evolving and being defined. It is expected that the Contractor, as a partner with Customs, will help Customs define the projects and other modernization activities that will make the achievement of the strategic objectives possible.

## **C.6 Modernization Program Management Approach**

### **C.6.1 Partnering Philosophy**

The intent of this Request for Proposals is to create a partnership between Customs and the Contractor, based on a shared mission, and set of strategic goals and objectives that have been defined for Customs Modernization. The Contractor will accept the strategic goals of Customs, as delineated in Section C.1, and make a commitment to help Customs accomplish these goals. Customs and the Contractor are empowered to balance technical risk, schedule, and resources to best accomplish the Modernization Program. Innovation and alternative ideas for management, ownership, business processes, and technical approaches are encouraged. The Contractor will participate with Customs in the tradeoff planning that assesses the need for new system capabilities and leads to definition of new tasks.

The Modernization Program will be accomplished by on-going actions made successful through the Partnership. In the beginning, these actions will focus on Program Management and Enterprise Engineering with the Customs Modernization Office (CMO) and the Contractor working together to establish and implement management and technical processes. The joint effort to establish these processes will ensure close and continuous communication, frank constructive dialogue, timely access to cost, schedule, and technical performance data, and agreement on meaningful milestones.

Subsequent actions will result in products that capture and implement an evolving enterprise architecture, specify requirements, and build systems to meet user needs. Organizations across Customs, including, for example, the National Treasury Employees Union (NTEU), will be involved in ongoing, integrated work efforts with the Contractor. These joint efforts with shared responsibility from all personnel will facilitate approval and decision making cycles.

The partnership between Customs and the Contractor is a success-oriented one, focused on the future, with the expectation of satisfactory performance throughout

the contract period. The Contractor is encouraged to propose tasking for Customs approval in support of mission objectives. The issuance of new Task Orders is the mechanism by which Customs will make final decisions on the nature of future work and the selection of the organization to perform it.

### **C.6.2 Small Business Philosophy**

Customs has a responsibility to foster small, small disadvantaged, and women-owned businesses as part of its contracting process. Small business goals are set annually based on various classes and dollar amounts.

The Contractor shall support the small business program. The Contractor's Subcontracting Plan, required in Section J.1, shall outline the Contractor's plan for small business subcontracting with these goals in mind for both the contract and delivery/task orders.

As well, Customs supports the Treasury Mentor-Protégé program. The Contractor shall propose a plan for selecting a suitable protégé to meet the objectives and goals of the program.

### **C.6.3 Process Improvement Approach**

Customs recognizes the need for improved processes to meet future business needs and to become more cost-effective, both internally and within Customs Communities of Interest. To accomplish this, Customs has adopted process improvement as a large part of its modernization efforts, with initial emphasis on improving software development processes. Recent reports from the General Accounting Office (GAO) further substantiate this effort.

As such, it is Customs policy that systems be designed and developed based upon sound systems engineering principles. This includes the selection of contractors with the domain experience in developing comparable systems, a successful past performance record, and a mature software development capability and process.

#### **C.6.3.1 Customs Process Improvement Initiatives**

Customs has institutionalized a series of process improvement initiatives, primarily in the area of software development. To guide this process improvement work, Customs has adopted the Software Engineering Institute's (SEI) Capability Maturity Model (CMM) (documented in Capability Maturity Model for Software, CMU/SEI 93-TR-24 and Key Practices of the Software Capability Maturity Model for Software, CMU/SEI 93-TR-25), which includes the Capability Maturity Model for Software (SW-CMM), the Systems Engineering Capability Maturity Model (SE-CMM), the People Capability Maturity Model, and the Software Acquisition Capability Maturity Model (SA-CMM). In addition, Customs has engaged industry experts to advise, collaborate, guide and assess process improvement in Customs.

Customs has developed a Enterprise Process Improvement Program (EPIP) Strategic Action Plan (see bidders library, J.4) that addresses both the software development and software acquisition processes. The EPIP Strategic Action Plan calls for the institutionalization of certain management structures. The Management Steering Group (MSG) provides strategic direction, the Software Engineering Process Group (SEPG) provides direct management of the process improvement program, and Technical Working Groups (TWG) carry out specific process improvement actions.

For the management level, a detailed plan of action is being developed by the practitioners and documented in a Software Process Improvement (SPI) Plan.

Specific objectives and activities listed in the SPI Plan will be implemented by each responsible practitioner organization in the Office of Information and Technology (OIT) and in Customs business offices.

The initiatives and activities in the SPI Plan are facilitated by the January 1999 Customs Office of Information Technology (OIT) reorganization. This plan will be coordinated and enforced within the structures created by the Customs Investment Management Process (IMP) and Systems Development Life Cycle (SDLC). Each of these has created strengthened control and enforcement structures and processes.

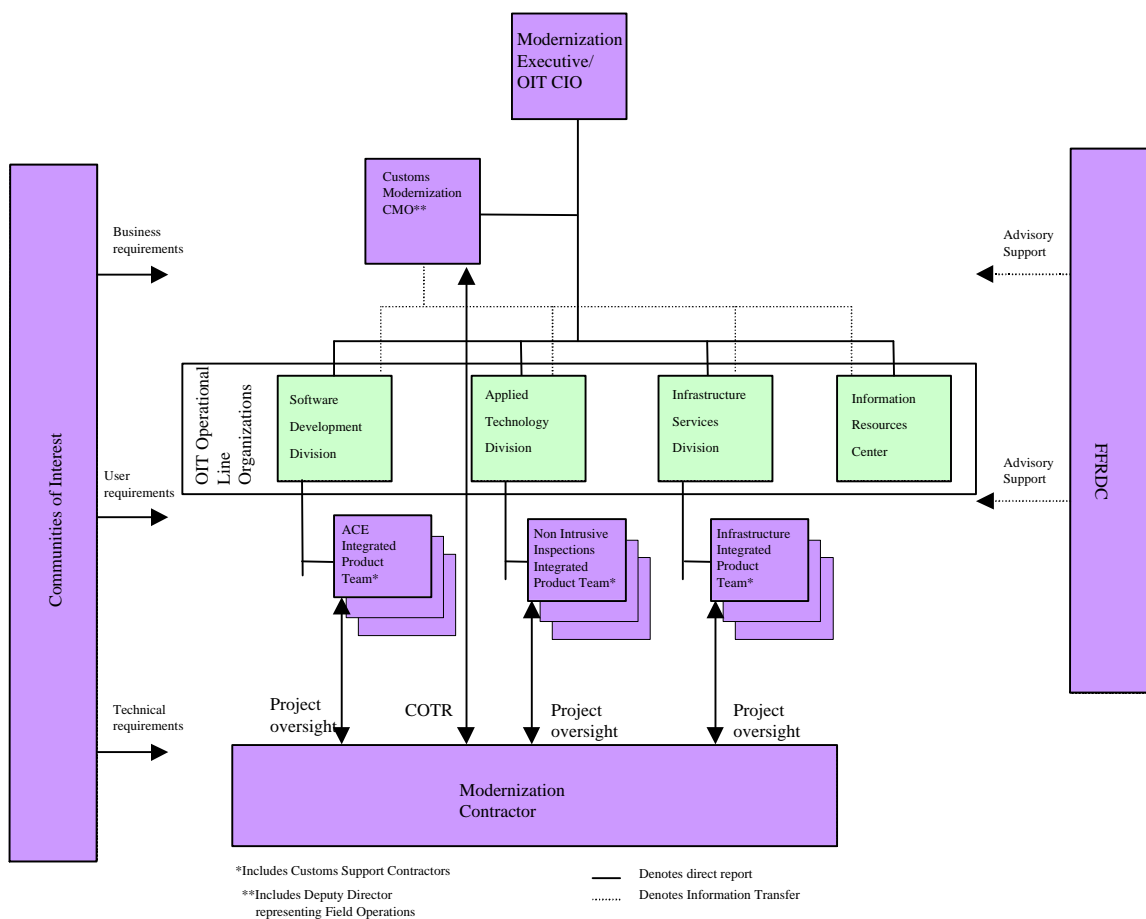
#### **C.6.4 Management Structure**

As detailed in the Governance Framework for Customs Modernization referenced in Section J.4, the Modernization Program will be managed by a defined structure that incorporates direct lines of communication between senior leadership and the management offices charged with executing the program. This management structure relies upon an Executive Steering Committee to develop Customs wide strategic priorities and objectives, provide management review, and approve funding. The ESC has a broad membership from all stakeholders. Major stakeholders, such as the Investment Review Board (IRB), the Trade Support Network, the International Trade Data System Board of Directors (ITDS BoD), and the Trade Compliance Board of Directors (TC BoD), will be able to provide input and guidance by working in association with the ESC.

The Modernization Executive provides the operational oversight of the Customs Modernization Program, via direction to the CMO, and has the responsibility for translating and implementing the strategic long-term vision of the executive leadership levels into concrete actions. The Modernization Executive also has responsibility for ensuring that issues concerning cost, schedule and technical performance affecting cross-project integration are raised to the ESC for resolution.

The CMO is charged with the planning and success of the overall program. Other major players are the OIT Operational Line Organizations, Integrated Product Teams (IPTs), the Federally Funded Research and Development Center (FFRDC),

other Customs contractors, and the Modernization Contractor. The relationship between these entities is shown in Figure C.6.4-1. Detailed information on these entities is provided in the following sections:



**Figure C.6.4-1 CMO and Management Offices**

#### C.6.4.1 Role of the Customs Service

Customs represents the interests and needs of the Customs Modernization Program as well as Customs users and customers. In order to ensure this representation, the Modernization Executive position will be filled by the Assistant Commissioner of OIT and Chief Information Officer (CIO).

The CMO is responsible for implementing the Modernization Program as well as the high level management, implementation, and execution of Customs Modernization

and the business process reengineering it enables. This includes responsibility for the Customs Modernization Master Plan (MMP). The CMO ensures that all projects are working in concert, from a technical, contractual, and fiscal perspective to implement Commissioner and ESC determined strategic objectives, and will hold the Contractor responsible for achieving these same objectives. Customs may use a support contractor(s) with program management expertise to assist in performing CMO responsibilities.

Additional specific CMO roles, responsibilities, and authorities are listed below.

- Ensures the business success of the Customs Modernization program, working with operations, field personnel, and other internal groups and communities of interest
- Establishes and implements policies, methodologies, and best practices for program management activities such as risk management, configuration management, quality assurance, and related activities
- Works in conjunction with the Contracting Officer to implement any required source selections, proposal evaluations, or contract modifications
- Implements and manages Customs Modernization projects and their integration with legacy systems, in accordance with the Enterprise Life Cycle Management (ELCM) methodology
- Justifies, forecasts and manages the Program budget
- Provides primary oversight and control over the functional activities of the Contractor
- Acts as the Contracting Officer's Technical Representative (COTR) at the program level, as formally assigned by the Contracting Officer, for all work performed by the Contractor
- Coordinates and manages the work performed by the Contractor and Associate Customs Contractors in the performance of Modernization and other Customs initiatives
- Reviews proposed task orders or amendments submitted for approval
- Acts as the Secretariat for the Milestone Decision Reviews (MDRs) with the Commissioner and Executive Steering Committee
- Conducts the Project Management Reviews (PMRs) for all IPTs and the Contractor
- Collects, reviews, and aggregates Project status data to the Program level
- Reports Program Status to all Executive levels of Government (e.g., Modernization Executive, Executive Steering Committee, Investment Review Board, GAO, Congress)

- Implements a public Communications plan for the dissemination of all information with respect to the Modernization effort
- Establishes, as required, Technical Working Groups (temporary teams established as necessary to address issues) to develop methodologies, processes, and standards for functions such as configuration management, process improvement, and risk management that will commonly reside across organizational boundaries

#### **C.6.4.1.1 OIT Operational Line Organizations**

The OIT Operational Line Organizations include the Software Development, Applied Technology, Infrastructure Services and Information Resources Center divisions. These divisions will have direct responsibility for Modernization projects, as appropriate, and, as such, will be responsible for staffing the required IPTs. Responsibilities of these organizations are detailed below:

- Commit resources to the IPTs
- Provide oversight of the IPTs
- Monitor the implementation of the tasks
- Resolve competing resource needs between the tasks

#### **C.6.4.1.2 Integrated Product Teams**

An Integrated Product Team is a temporary programmatic structure created to provide programmatic control over a project. The team may be staffed with personnel from across the organization (including Customs business units and OIT operational line organizations), the FFRDC, other government agencies and the Modernization Contractor. The IPT will normally report to one of the OIT operational line organizations but could, alternatively report to a business unit. For example, Field Operations might be assigned ownership of an IPT to develop requirements. In this case, OIT operational line personnel would be included in the team to ensure that the requirements were defined appropriately for use as systems requirements.

The IPTs are responsible for the management of Modernization Projects, involving one or more task orders.

Each IPT is established and led by a Project Leader appointed by Customs.

IPT roles, responsibilities, and authorities are detailed below:

- Executes the tasks, responsibilities, and authorities as assigned by the ESC-approved charter for this project
- Directly oversees the Contractor for the designated contracted task(s)



- Manages the project implementation in accordance with the ELCM methodology
- Determines and recommends the tasks needed to accomplish project objectives. Writes and submits draft statements of task objectives to contracting officials and the CMO resulting in new or revised task orders from the Government to the Contractor
- Ensures that the project is delivered on time and within cost by monitoring project status and risk; takes corrective action within the Delivery/Task Order scope, and identifies need for Delivery/Task Order scope changes to the CO
- Reports standardized status information as required to the CMO
- Participates, as needed, on Technical Working Groups

#### **C.6.4.2 Role of the Federally Funded Research and Development Center**

The FFRDC assists Customs by providing strategic, technical, and program management advice, guidance, and independent verification and validation services. It is important to understand the unique role of the FFRDC. In support of Customs, the FFRDC's prime role is to act as an independent technical advisor. The FFRDC is not driven by profit. This allows the FFRDC to be aligned with its Government sponsor such that it can provide visionary creativity, problem recognition, problem structuring, technology application initiatives, experience transfer, and knowledge management as though it were a part of the Government. Because of this unique role, the FFRDC functions in a manner quite different than that of the Contractor or other profit making organizations involved in the Modernization.

#### **C.6.4.3 Role of Associate Customs Contractors**

The Customs Modernization will become a reality primarily through the efforts of the Customs Service, the Contractor (and the Contractor's team/subcontractors), and the FFRDC. However, Customs currently uses other contractors and additional contractor support is anticipated for other services. These contractors are referred to as Associate Contractors hereafter. These contractors may fill roles that are important for the Contractor to consider in the overall Enterprise Architecture.

Examples of the type of contractor support required would include support for program planning and control, configuration management, and operations and maintenance activities for legacy systems. For the Contractor to fulfill its obligation to provide comprehensive systems engineering for all aspects of Customs business processes and systems, the Contractor shall be prepared to negotiate mutual non-disclosure agreements with Associate Contractors. The objective of these agreements will be to promote the free exchange of information and cooperation in the achievement of Customs goals at the enterprise level, within the limits of the respective contracts.

**C.6.4.4 Role of the Prime Contractor**

The Contractor, who reports to the CMO, shall be responsible for the architecture, design and development, integration, and implementation of the modernized systems for the Customs Service, including integration with legacy systems as approved by Customs.

Specifically, the Contractor shall be responsible for designing new systems to meet Customs Service business needs, developing these systems, integrating them into the Customs operational environment, and potentially transferring operation of these systems to the Customs Service. The Contractor shall support the Customs Modernization objectives at the direction of the CMO and this support shall provide a mechanism for the Contractor to be involved in developing recommendations concerning priorities and other strategic-level Modernization issues.

The Contractor shall not be a part of final Government investment decision-making, budget allocation decisions, or any other matter directly affecting oversight of the Contractor's performance.

As the overall Modernization Business Partner, specific functions of the Contractor include the following:

- Provides program and project management services that result in an integrated, comprehensive and quality approach to management of the Modernization initiative
- Assists and supports the CMO with Modernization planning and research
- Translates Customs needs into well-managed and controlled programs and projects that result in the delivery and implementation of high quality business and technical solutions
- Performs system design, engineering, development, test, integration, and deployment tasks and activities in support of overall program goals
- Provides system engineering support for initiatives processed through the IMP
- Assists Customs in implementing projects that require the integration of applied technology with standard information technology systems to enhance mission capabilities
- Provides input to the CMO on standards, methodologies, and best practices that ensure quality solutions
- Conducts continuous process improvement initiatives and supports Customs in its process improvement and integration activities as well
- Conducts risk management, configuration management, and quality assurance activities

- Participates in Integrated Product Teams, as required by delivery/task orders
- Manages programs and projects in conformance with the policies and methodologies set by the CMO and specific task order objectives
- Provides Enterprise Engineering support as directed by Delivery/Task Orders and as described in Section C.7
- Supports Customs investment decision making by providing cost and technical inputs, as requested
- Supports business process reengineering activities and their likely effect on the Customs Modernization
- Evaluates technology products and performs technology insertion as directed by Delivery/Task Orders
- Evaluates competing technical solutions, recommends best solutions, and manages their implementation
- Manages the process of transitioning the systems from the development phase to the maintenance phase and, if required, continues to provide support during the maintenance phase
- Integrates business solutions within the legacy environment as well as the evolving modernized environment
- Manages its teammates and/or sub-contractors selected for Modernization work
- Coordinates and participates in all Milestone Decision and Project Management Reviews, issues agendas, schedules meetings, provides briefings as directed, maintains minutes, and maintains action and issue items for meetings and reviews
- Suggests ways to further the Customs-Contractor partnership in research, delivery/task order structure, development, implementation, and modernization planning
- Supports various boards, as deemed necessary by the CMO, such as the Investment Review Board and other boards that the CMO may establish
- Develops and implements a training program in conjunction with the Customs Training office
- Develops and implements individual project Communication Plans that communicate the goals and objectives of the projects to the Customs Community of Interest
- Participates in Technical Working Groups as required by Delivery/Task orders
- Provides other services as required by Delivery/Task Orders, such as operations and maintenance support.

#### C.6.4.5 Summary of Modernization Roles

The roles of the organizations which participate in Modernization are defined as follows:

- Owner: This is the organization responsible for this activity.
- Partner: This is the organization that retains a high level of responsibility and must work closely with the owner.
- Advisor: This organization may be used to provide advice and guidance to the Owner and Partner, but is not primarily responsible.
- Independent Verification and Validation (IV&V): This organization may be used to provide an objective review or assessment of the activity or associated products.

Table C.6.4.5-1 below describes the role for which Customs, the Contractor, and the FFRDC have responsibility in each of the major Modernization activities. Note that this table is a general concept matrix and does not preclude Customs from redefining Modernization roles and responsibilities at a later date.

**Table C.6.4.5-1 Roles and Responsibilities of Customs Modernization Organizations**

<b>Role/Responsibility</b>	<b>Owner</b>	<b>Partner</b>	<b>Support</b>	<b>IV&amp;V</b>
Strategic Planning	Customs	FFRDC	Contractor	
Budgeting	Customs		FFRDC	
Research	Customs	FFRDC	Contractor	
Program Management	Customs	Contractor		FFRDC
Project Management	Customs	Contractor		FFRDC
Requirements Definition	Customs	Contractor		FFRDC
Requirements Management	Contractor	Customs		FFRDC
Investment Management Decisions	Customs	FFRDC	Contractor	
Engineering	Contractor	Customs		FFRDC
Design	Contractor	Customs		FFRDC
Development	Contractor	Customs		FFRDC

<b>Role/Responsibility</b>	<b>Owner</b>	<b>Partner</b>	<b>Support</b>	<b>IV&amp;V</b>
Integration	Contractor	Customs		FFRDC
Acceptance Test	Customs	FFRDC	Contractor	
Deployment	Contractor	Customs	FFRDC	
Operations	Customs		Contractor	
Maintenance	Customs		Contractor	
Training	Contractor	Customs		FFRDC
Documentation	Contractor	Customs		FFRDC
Transition Management	Contractor	Customs		FFRDC
Performance Management	Customs	Contractor		FFRDC
Audit and Evaluation	Customs	FFRDC		

### **C.6.5 Systems Engineering Philosophy**

Because the Contractor will be a long-term partner during the modernization of both Customs systems and the enterprise infrastructure, Customs expects the Contractor to apply best industry practices for systems engineering throughout the contract. Systems will be developed with a view to their impact on Customs and future modernization efforts to prevent system “stove pipes”. The implementation of enterprise services will consider the requirements not only of individual modernized systems but also of future systems to be modernized. As a result, system designs should be modular and provide scalability, interoperability, information security, and ease of modification.

Customs has defined extensive information system architecture processes and approaches that address many systems engineering processes. The Contractor shall conduct system engineering practices that conform to the specifications in these manuals. The Contractor should apply evolutionary development techniques that provide iterations of development that achieve tangible improvements and that respond to changing requirements.

The remainder of this section focuses on policies, frameworks, processes, and architectures that impact systems engineering.

#### **C.6.5.1 Policies**

Major legislative and regulatory requirements and industry best practices require that IT be managed as an investment that provides value to the business. The Contractor shall develop systems that conform to these policies: the Clinger-Cohen

Act (aka, Information Technology Management and Reform Act of 1996), Chief Financial Officers (CFO) Act, Government Performance and Results Act (GPRA), Federal Streamlining Act (FASA), the Paperwork Reduction Act (PRA), Office of Management and Budget (OMB) Circulars A-11 and A-130 formed the basis for the process adopted by Customs.

The Clinger-Cohen Act and OMB Circulars require that investments be approved within the context of an EA. Factors which complicate the challenge for Customs include increasingly rapid changes to the business of Customs and to the underlying technology of the IT industry. These challenges require robust organizations and processes in the Customs business and IT areas.

#### **C.6.5.2 Treasury Information Systems Architecture Framework (TISAF) and Federal Enterprise Architecture Framework (FEAF)**

In 1999, The Chief Information Officers Council, an interagency forum, released version 1.1 of the Federal Enterprise Architecture Framework as part of its responsibility to develop information technology architectures as mandated by the Clinger-Cohen Act of 1996.

In 1997, the U.S. Department of the Treasury published the Treasury Information Systems Architecture Framework to provide guidance to Treasury and its bureaus concerning the development and evolution of information system architectures to meet the needs of their respective business operations. An information system architecture framework is a conceptual model for the development of an Enterprise Architecture. The TISAF is a component of the Department of Treasury's Information Technology Manual. Treasury is planning to update the TISAF in 2000.

The TISAF describes an information system architecture framework that is used by Customs to support its core processes as they are redesigned to meet dynamic legislative and regulatory requirements as well as responding to the rapidly changing technology environment. The major elements of the TISAF model include the following:

- Architecture Principles – to guide development of information system architectures
- Technical Reference Model (Treasury TRM)– to describe infrastructure services for supporting an information system architecture and provide more detail on each of the components
- Set of Standards – to guide specific product selection

The TISAF, the business needs of Customs, and the existing information systems architecture are used to derive an EA with four major views:

- The *work architecture view* depicts the decentralization of the business, the distribution of the work organizations to business locations, and the communication and coordination between these locations. It also describes the major operations performed by work organizations in support of functions and the types of work in terms of the type of workers and types of work locations.
- The *functional architecture view* identifies, defines, and organizes the business functions, processes, or activities that capture, manipulate, and manage the business information to support business operations. It also describes the logical dependencies and relationships among business functions.
- The *information architecture view* identifies, defines, and organizes all of the information and data needed to perform the enterprise business operations and the relationships among that information. All information and data needed to support business functions should be captured in the information architecture.
- The *infrastructure architecture view* specifies the hardware, software, and telecommunications components, management tools, security services, and distributed computing services to support the functional and information architecture. Interface requirements for these services (i.e., application programming interfaces) are also defined. Hardware is not further specified to promote hardware platform independence.

To date Customs has populated the baseline and target views into the Enterprise Architecture that is integrated in the Investment Management Process. The EA provides the framework for Customs Modernization and will continue to evolve to reflect the dynamic Customs business and technology environments.

Customs expects all modernized systems to comply with the TISAF, the EA, and the SDLC. Technologies must be consistent with the Technical Reference Model in the EA. The defined architecture approval process must be applied when requesting new technologies for the architecture.

#### **C.6.5.3 Investment Management Process**

Customs adopted an investment-driven approach to managing information and technology called the IT Investment Management Process. The IMP includes mechanisms to integrate the Select, Control, and Evaluate phases described in the Clinger-Cohen Act. As the IMP is applied or the Contractor makes recommendations for improvements, it is important to note that the SW-CMM forms the basis for most of the activities in the Control Phase. The IMP enables more effective communication between OIT and business organizations and establishes a more business oriented decision process. As shown in Figure C.6.5.3-1, the IMP drives budget formulation and execution for IT investments.

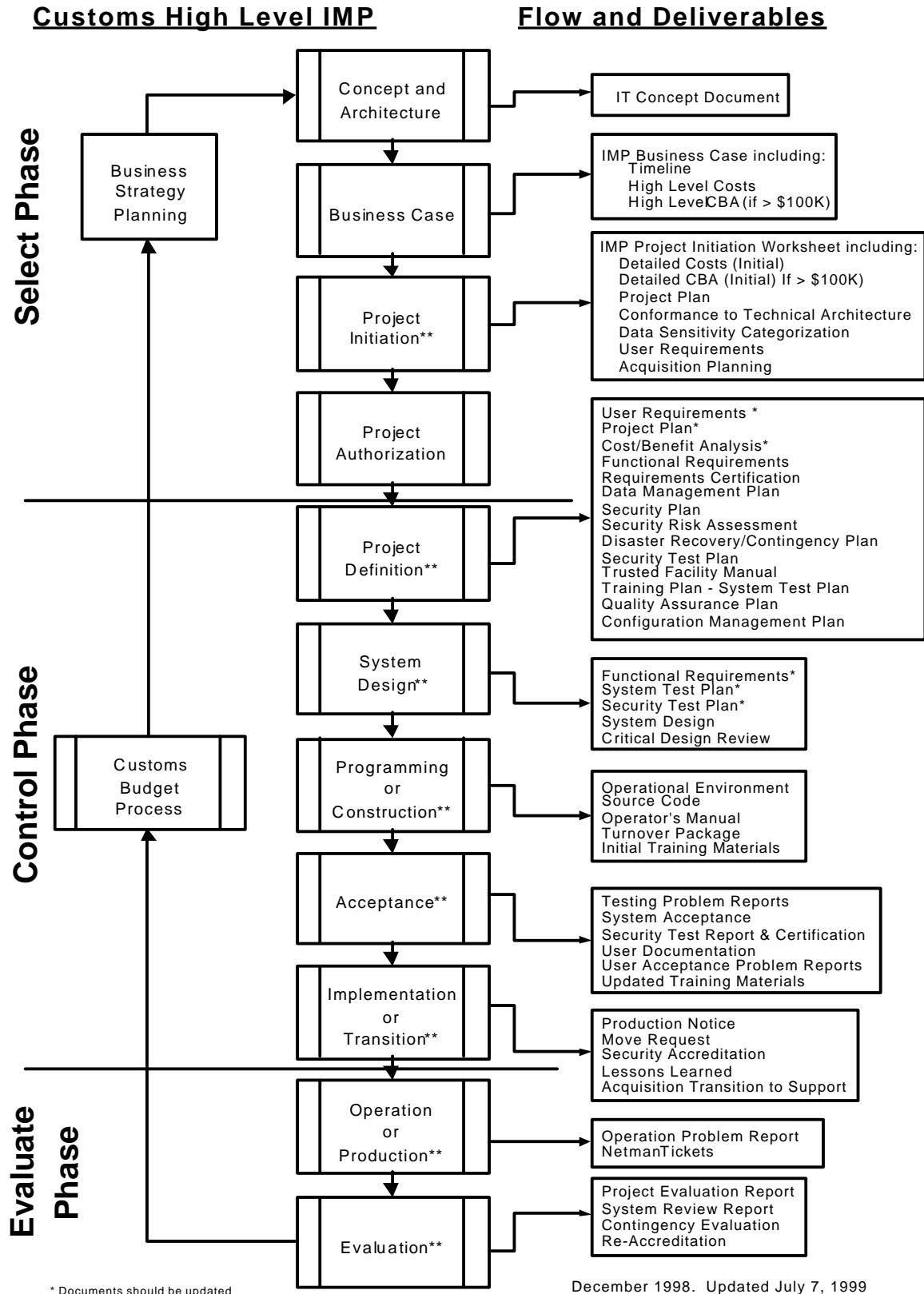


Figure C.6.5.3-1 Investment Management Process



The Customs IMP uses the EA to ensure that IT projects and infrastructure are aligned with each business process and strategy. The logical and technical components of the EA define the business rationale for projects in order to eliminate duplicative or “stove-piped” systems. The results of the EA form the basis for the strategic and operational plans and agency budgets that will manage IT as a resource to benefit all of Customs. The Customs Investment Review Board makes decisions about IT solutions and infrastructure as defined in the planning and budget process after evaluation against specific IMP criteria.

The IMP will be implemented and improved to reduce risk and align information technology with business process needs. Customs is defining the roles and responsibilities of the process to maintain and facilitate the integrated architecture. Key organizations involved in the IMP include:

- Technology Architecture Group (TAG) – Identifies, reviews, evaluates, and recommends technologies and standards for submission to TRC.
- Technology Review Committee (TRC) – Sets corporate IT policies, procedures, and standards based on proposal made by the TAG.
- Business Information Technology Representatives (BITR) – Provides liaison from business users to OIT.
- Domain Owners – Manages the technology portfolio for their domains and develops formal standards and requirements to submit to TAG/TRC. Project sponsors work with their office’s BITR to develop high level project concepts.
- Business Information Representatives (BIRs) – Provides liaison from OIT to business users.
- Subject Matter Experts (SME) – Evaluates specific areas for recommendation of standards.
- Information Technology Committee (ITC) – Recommends or approves projects based upon cost thresholds and analysis establishing whether a project is a good investment for Customs.
- Investment Review Board (IRB) – Approves projects based upon ITC recommendations, and comparisons and tradeoffs among competing project proposals.

All modernization efforts will conform to the IMP to ensure that new technologies are introduced to the Customs enterprise only after due consideration.

#### **C.6.5.4 Customs Enterprise Architecture**

Customs developed an Enterprise Architecture for the IMP consistent with the TISAF. The EA is scoped at a high-level for the enterprise and reflects the results of business process reengineering efforts during the late 1990s. The Customs EA contains both logical and technical components, which is consistent with the

Treasury model. The EA includes baseline (“as-is”) and future (“to-be”) models of Customs. The Customs portfolio of IT projects and infrastructure initiatives are aligned to the business of Customs through the coordination of the IMP and the EA.

Although IT investments are driven by the needs of the business process owners, it is the responsibility of the Office of Information and Technology to deliver IT investment as defined. IT processes, architectures, and organizations must be robust—undergoing continual improvement to ensure that the appropriate processes and technologies are applied to provide the best business solutions for each process/strategy. These OIT processes and organizations will be aligned to the business of Customs according to the principles of the EA.

The Customs EA Blueprint provides extensive descriptions of the EA strategy, processes, and approach. The processes include the IMP and other architecture-related processes that must be followed during information system development.

The Customs Technical Reference Model (Customs TRM) describes technologies and infrastructure services for supporting the EA. Technologies must conform to Customs TRM requirements, or waivers must be requested.

#### **C.6.5.5 System Architectures**

The General Accounting Office [GAO/AIMD-98-70, May 1998] recommended that Customs prepare an enterprise architecture and also a system architecture for each system being developed. These architectures are used to formally document Customs’ business needs and the technical infrastructure needed to support the business needs. As a result, each modernized system will require the development of a system architecture. The system architectures will include the four TISAF architectural views: functional, work, information, and infrastructure.

If necessary infrastructure services are missing for a modernized system, then corresponding enterprise-wide infrastructure services will be developed with a view to supporting both the new system and potentially other modernized systems in the future. New technologies must be approved using the IMP.

Each system architecture developed for Customs modernization will be part of an architecture business cycle. Baseline versions for each architecture will be defined to describe the objectives for a specified time period. Each baseline architecture will define the guidance, mandates, assumptions, and constraints for the time period in which they are expected to apply. Each architecture will be updated on a periodic basis. Architectural artifacts will be configuration-managed in an architecture repository and available to all participants.

### C.6.5.6 Architectural Principles

The TISAF provides a large number of architectural principles to guide the design and development of information systems. These principles provide the basis for making architectural decisions. The TISAF principles are provided in Tables C.6.5.6-1 through C.6.5.6-5.

**Table C.6.5.6-1 General Architectural Principles**

Principle	Description
AF-1: Responsible Information Processing	Information processing activities will be conducted in a responsible manner, complying with applicable laws, orders and regulations.
AF-2: Common Business Process	Common business process will be implemented in a consistent fashion to provide interoperability and reusability.
AF-3: Open System Standards	A coherent, consistent set of open system standards should be adopted to facilitate interoperability.
AF-4: Systematic Standards Life Cycle	A systematic life cycle will be used to select, review, and retire standards and ensure that adopted standards will be useful to the Treasury community.
AF-5: System Life-Cycle Methodology	Information system projects should adopt a system life-cycle methodology consistent with the requirements, risks, costs, and complexity of the project.
AF-6: Information System Architecture Framework	The information system architecture framework shall be used to guide the design of the EA in accordance with Customs goals and objectives.
AF-7: Department-wide Information Technology Policy	Information technology policy will be coordinated Department-wide, but implemented by each bureau.
AF-8: Departmental Information Systems Security Policy	All Departmental information systems should conform to the Departmental information system security policy.
AF-9: Information Resources Protection	The Department should protect information resources commensurate with the risk and magnitude of harm that would result from their loss, misuse, or unauthorized access or modification.
AF-10: Protection of Individual Privacy	The Department should protect the privacy of information about individuals.
AF -11: Multidisciplinary Security Mechanisms	The Department should develop security mechanisms based on a multidisciplinary approach.
AF-12: Measurement of Applications and Infrastructure	Applications and infrastructure components will be designed and implemented to facilitate monitoring and measurement.

**Table C.6.5.6-2 Work Architecture Principles**

<b>Principle</b>	<b>Description</b>
WA-1: Information Independent of Physical Location	The Department will provide access to information to authorized users to perform their jobs independent of their physical location.
WA-2: Information Capture Close to Source	Information should be captured in computer-readable form as close to the source of origin as possible, including external sources and forms prepared and submitted by the public.
WA-3: Common User Interfaces	Common user interface components and standards should be used to provide user interface services.

**Table C.6.5.6-3 Information Architecture Principles**

<b>Principle</b>	<b>Description</b>
IA-1: Data and Information Sharing Standards	Data and information sharing standards will be implemented Department-wide.
IA-2: Department Wide Data Management	Data is a vital corporate asset that should be managed to ensure its quality, timeliness, security, and availability Department-wide.
IA-3: Security of Corporate Information	The security of all corporate information will be ensured.

**Table C.6.5.6-4 Functional Architecture Principles**

<b>Principle</b>	<b>Description</b>
FA-1: Standards-based Services	Standards-based services required by applications will be obtained from the infrastructure.
FA-2: Distributed Applications	An application can be distributed across multiple platforms.
FA-3: Application Sharing of Computer Resources	The physical resources of a computer system may be shared either simultaneously or sequentially among different applications.

**Table C.6.5.6-5 Infrastructure Architecture Principles**

<b>Principle</b>	<b>Description</b>
IN-1: Standard-Compliant System Components	Information systems will be designed and implemented using standard-compliant system components.
IN-2: Interoperable Corporate Computing Resources	Corporate computing resources will be interconnected to promote interoperability consistent with information technology policy.
IN-3: Modular Components with Standardized Interfaces	The infrastructure will use modular components with standardized interfaces to support flexibility, scalability, reusability and evolution.
IN-4: Information System Architecture Framework Compliance.	Information system architectures should be designed to comply with the information system architecture framework.
IN-5: Multiple Tiers of Functionality.	Information system architectures shall have multiple tiers of functionality.
IN-6: Common Services	A common environment that provides for the delivery of common services to all subscribers will be implemented.
IN-7: Network Access	All workstations will be attachable to the network with secure communication linkages to all required servers.

### **C.6.5.7 Future**

Customs is seeking assistance in improving the maturity of its systems engineering processes. Customs has partnered with the FFRDC to investigate the use of processes that are consistent with the Software Engineering Institute Capability Maturity Model. Customs anticipates requiring compliance by the Contractor to the Systems Engineering CMM.

## **C.7 Scope of Work**

The work performed under this contract will modernize the Customs enterprise and the processes by which it operates, and will provide automated system capabilities to support the enterprise. The Contractor shall work in a partnership with Customs and its assigns to refine the vision of the enterprise, perform engineering and development efforts to achieve the vision, and deliver systems to the field that provide increased efficiency, reliability, and flexibility. Customs is establishing this long-term partnership so that it can set priorities and use an evolutionary approach to maximize progress toward modernization within budgetary constraints.

The scope of work for the Contractor can extend to all Customs operations as described in Section C1. These include: enforcement (narcotics and money laundering), trade compliance, passenger, outbound, finance, information and technology, human resource management, and any future operation defined as part of the Customs mission.

The Contractor shall establish a foundation for Customs Modernization for the future by supporting the evolution of an Enterprise Architecture. In evolving the EA, the Contractor shall:

- Apply state of the art technologies and best practices, over time, to influence periodic re-planning for modernization
- Align systems with business processes across the enterprise
- Ensure common infrastructure services will be available to support the needs of new systems
- Standardize information across Customs
- Improve reliability of automation
- Protect sensitive information (e.g., financial and personnel), while providing wider access to data
- Conduct an orderly and phased migration that leverages current assets to ensure that existing and new capabilities work together
- Migrate from stove-piped systems to an enterprise-wide view that makes use of best practice architecture-based methodologies

The Contractor shall perform reengineering and modernization of business processes and procedures and develop and field new and improved automated support to Customs business operations. The Contractor shall develop, integrate, and deploy new processes and systems to:

- Meet Customs need to handle increased volume and to be responsive to the needs of the Customs Service, the International trade community, Government agencies, and other Communities of Interest
- Address operations for all Customs service areas including narcotics, money laundering, trade compliance, outbound, passenger, finance, information and technology, and human resource management
- Assure continuity of operations during the modernization process
- Enable Customs to process imports and exports in a consistent and equitable manner at all field offices
- Automate routine processes to improve Customs efficiency, allowing Customs personnel more time to address compliance and enforcement

- Give Customs general analysis and decision support capabilities to assist in compliance and enforcement
- Provide automated support to efficiently collect, process, and analyze commercial data
- Collect and analyze data that will allow Customs to monitor and assess its own performance and to support government-wide collection and analysis efforts
- Provide training to ensure that all Customs, contractor, and user personnel can perform business processes and efficiently use the automated support provided

The Contractor shall support Customs in establishing modern, cost-effective management and technical processes that will improve Customs operations for acquiring, developing, and maintaining systems. The Contractor shall:

- Establish a collaborative environment with the government for modernization
- Improve the maturity of internal program management, systems engineering, acquisition, and software development processes through transfer of best practices from the commercial sector
- Develop business cases and investment packages that will achieve funding through the budget process
- Manage business processing costs through business process and system reengineering
- Support Treasury goals for utilization of small businesses

To meet these high-level requirements, the Contractor shall be responsible for Program Management, Process Improvement, Enterprise Engineering, Total Systems Integration, Infrastructure Services, Systems Development, and Operations and Maintenance. Requirements for each of these responsibilities are specified in the following paragraphs.

#### **C.7.1 Program Management Approach**

The Contractor shall be responsible for program management at the direction of the CMO throughout the course of this contract. The Contractor shall be responsible for developing and maintaining the program management methodology for managing multiple competing priorities and projects. The Customs Service anticipates a sharing of some responsibilities between the Contractor and CMO program management functions. The Contractor shall have program and project level reporting responsibility to the CMO.

As a partner with Customs, all Contractor personnel shall maintain high business and professional standards when conducting business with Customs personnel, contractors, and other parties involved in the Modernization effort. The Contractor shall provide Program Management and Senior/Lead level personnel that have demonstrated progressive and expert experience in leading, managing, and advising teams and that meet or exceed the requirements of this task. In addition, these personnel shall have demonstrated excellent communication skills, both oral and written, in the performance of their duties. Contractor shall provide personnel with the requisite experience in all levels of management reporting.

The Contractor shall be responsible for all aspects of program management, including, but not limited to the tasks detailed below.

#### **C.7.1.1 Modernization Planning**

As a partner in the Modernization effort, the Contractor shall be responsible for assisting Customs with strategic planning. A key output of this task will be the Customs Modernization Master Plan, which will outline the five year plan for modernizing Customs systems. Additionally, the Contractor shall be expected to translate the MMP into annual Action plans that lay out the budget, resource needs, tasks and schedule for implementation. The Contractor shall also update and maintain the Cost Benefit Analysis (CBA) for the overall modernization program. In addition, the Contractor shall provide, as requested, other studies and analyses to include feasibility studies, other cost benefit analyses, and other relevant studies and analyses.

#### **C.7.1.2 Program Planning and Control**

The Contractor shall provide input to and assist the CMO in establishing the policies, methodologies and tools to be used for program and project management activities. The Contractor shall maintain their Program Management Plan (PMP) submitted as part of the proposal process (describing, for example, the Contractor's organization, roles and responsibilities, products, processes, tools, and plans for quality assurance, configuration management, risk management, problem resolution, and sub-contractor management). The Contractor shall also provide updates to the Integrated Master Schedule for all Contractor projects. This schedule information will be used as input into the Customs Master Schedule. The Contractor shall also establish and maintain individual project management plans for each project that it manages. The Contractor shall establish an effective program for monitoring cost, schedule, and budget metrics. The Contractor shall provide detailed standard reports to the CMO on project status, as well as provide ad hoc reports as requested. The Contractor shall ensure that its time reporting system accommodates tracking of various projects, activities, funding sources and Accounting Process Codes (APCs).

The Contractor shall be responsible for Transition Management for each project. As such, the Contractor shall be responsible for development of a Transition



Management Plan (TMP) that describes the Contractor's implementation practices to be applied in Task Orders for deploying new systems to the field. At a minimum, the following items should be addressed: availability of the system to be deployed, spares availability, data availability (scope, type, media), test equipment and tools, and training (types, methods, media, target audiences. In addition, the Plan shall include, but not be limited to, items such as beta testing, site selection and preparation, schedule, software, hardware and network configuration, installation, parallel operations, resources, and integration with legacy systems. The Plan shall also address the procedure and criteria for system acceptance as well as the respective roles and responsibilities of Customs, the Contractor and other parties (if needed) in the system acceptance process.

#### **C.7.1.3 Risk Management**

In conjunction with the CMO, the Contractor shall assist in the development and maintenance of a Risk Management Program for the Modernization efforts, including assisting Customs with the development of a Risk Management Plan (RMP). The Contractor shall be responsible for performing risk assessment on an ongoing basis and mitigation for all projects that it manages and for providing a Risk Status Report to the CMO on a monthly basis.

#### **C.7.1.4 Configuration Management**

The Contractor shall establish a Configuration Management program as well as provide the necessary automated tools and databases to support this function. In addition, the Contractor shall establish and maintain an effective change management program and participate, as directed, on any Control Boards established by the CMO.

#### **C.7.1.5 Quality Management**

The Contractor shall establish a Quality Management Program that includes a plan, policies, and procedures that assure quality during all phases of the Contract.

#### **C.7.1.6 Training Program Development**

The Contractor shall establish a comprehensive Training Program that is capable of being integrated into Customs current training practices and procedures. To ensure that Customs organizational training objectives are met, this program shall be developed in coordination with the Assistant Commissioner of Training. The scope of the Training Program shall encompass both existing and new systems and shall be tailored to the various audiences to be trained (e.g., user, developer, customer, field, technical, operations, trainer, etc.). The Contractor shall be responsible for developing all training materials, including, but not limited to, classroom presentation slides, documentation, manuals, guides, surveys, and on-line help. The Contractor shall prepare training for a variety of venues including, but not limited to, classroom, computer-based training, and the Customs Intranet.

### **C.7.1.7 Business Management**

Customs will develop a program level Communications Plan. The Contractor shall provide input to and assist in implementation of this plan. The Contractor shall also develop an individual Communications Plan for each project that it manages. The Contractor shall develop a WEB-based portal for the Customs Intranet to support the sharing and dissemination of project-related information. The Contractor shall develop a Staff Capacity Plan that will be used to provide input to the CMO on staffing issues related to the Modernization initiative. The Contractor shall also manage correspondence, serve on Boards as designated by the CMO, and manage Government Furnished property and materials provided to the Contractor.

### **C.7.1.8 Sub-Contractor Management**

The Contractor shall manage all of its Sub-Contractors in a manner consistent with the SEI Capability Maturity Model for Software Development as reflected in its Sub-Contractor Management Plan, to be developed after task award, which documents, at a minimum, the Contractor's processes and procedures for managing the Sub-Contractors, as well as monitoring Sub-Contractor schedule and expenditures (e.g., through earned value analyses).

**(Note:** The Sub-Contractor Management Plan referenced here is different from the one referenced in Section J.1 as the "Small Business/Small Disadvantaged Business Subcontracting Plan").

## **C.7.2 Process Improvement**

### **C.7.2.1 General Process Improvement**

As a part of Customs Modernization, Customs seeks to improve its overall processes for managing all aspects of its operations. This applies to both its internal operations, and the operations of its contractors. The Contractor shall establish a Process Improvement Management program and pursue continuous process improvement throughout the life of the Contract.

### **C.7.2.2 Software Process Improvement**

The Contractor and any of its teammates/subcontractors that will be producing software are expected to have achieved at least a SW-CMM Level 3 maturity. To show this level of maturity, the Contractor and its teammates/subcontractors that will be producing software shall have been appraised with a CMM Appraisal Framework (CAF) compliant method at Level 3 or higher of the SW-CMM during the past eighteen months. The Contractor shall provide evidence that their maturity level is maintained or improved based on subsequent appraisals (using a CMM Appraisal Framework compliant method) over the life of the contract.

The Contractor shall employ methods and practices to assure continuous process improvement is applied to all of its tasks under this contract, and shall ensure that all its teammates/subcontractors are included in its continuous process improvement

program. The Contractor shall show how the process capability of its teammates and/or subcontractors will be determined and monitored to assure that the quality of the processes and products will be maintained, and shall also show how it will integrate its teammates/subcontractors processes with its own. The Contractor shall show how their program of continuous process improvement leads to increased levels of maturity and addresses additional process areas, including systems engineering and acquisition.

Customs may periodically review/evaluate the SW-CMM level and improvement efforts of both the Contractor and its teammates/subcontractors. Customs may perform these reviews/evaluations through both formal methods (e.g., software capability evaluations) or through informal methods (e.g., interviewing Contractor employees and reviewing Contractor documentation).

### **C.7.2.3 Other Process Improvement**

Customs recognizes the integral role of systems engineering in the development of a modernized system, and the Contractor is encouraged to provide evidence of its satisfaction of the process areas identified in the Systems Engineering CMM (as documented in Systems Engineering Capability Maturity Model Version 1.1, A, CMU/SEI-99-MM-003), and the process areas identified in the Software Acquisition CMM (as documented in Software Acquisition Capability Maturity Model, Version 1.02, CMU/SEI-99-TR-002).

For the Information Technology disciplines, Customs has adopted the Capability Maturity Model of the SEI to frame the Customs Enterprise Process Improvement Program. The scope of the EPIP includes the SW-CMM, the SE-CMM, and the SA-CMM. The Contractor shall contribute to this improvement program by:

- providing advice and recommendations on specific process improvements
- providing candidate materials (procedures, templates, checklists, etc.) to support process improvements for addition to the Customs Process Asset Library
- training Customs staff and other Customs contractors on appropriate tools and methods
- supporting assessments and evaluations of progress

Customs may periodically review/evaluate the CMM level and improvement efforts of both the Contractor and its teammates/subcontractors in these other areas. Customs may perform these reviews/evaluations through both formal methods (e.g., CAF compliant evaluations) or through informal methods (e.g., interviewing Contractor employees and reviewing Contractor documentation).

The goal is to assist Customs in raising Customs level of experience and performance to the levels achieved by the Contractor in software engineering, systems engineering, software acquisition and related process areas.

### **C.7.3 Enterprise Engineering**

The Contractor shall be responsible for modernizing Customs systems and infrastructure throughout the life of this contract. The Contractor shall be responsible for all aspects of enterprise engineering required to plan for the development, integration, and deployment of modernized systems and infrastructure. The Contractor shall also be responsible for enterprise engineering activities required to support the transition from legacy to modernized systems and infrastructure, including training of support staff. Throughout all modernization efforts, the Contractor may propose new methodologies, technologies, and tools, but Customs approval must be provided before proceeding.

Enterprise engineering activities are prerequisite to systems engineering activities for specific systems and infrastructure components. The Contractor shall ensure that when individual systems and infrastructure services are architected and designed that long-term enterprise-wide needs are taken into account.

Enterprise engineering includes, but is not limited to, responsibility for the following activities throughout the course of modernization:

- Customs Enterprise Life Cycle Methodology
- Customs Enterprise Architecture
- Evolution of the EA Blueprint
- Business Requirements
- Industry Best Practices and Technology Evolution

#### **C.7.3.1 Customs Enterprise Life Cycle Methodology**

Customs currently guides systems development using the Customs SDLC. Because modernization brings an enterprise perspective to systems development, Customs will need an Enterprise Life Cycle Methodology to guide and prioritize the development of systems from an enterprise perspective.

The Contractor shall prepare and document an ELCM for managing and performing Customs modernization. The Contractor shall propose a methodology, but Customs must approve the final methodology to ensure it is consistent with Customs requirements. The existing Customs Enterprise Architecture Blueprint includes an architecture process that shall be incorporated within the Contractor's proposed ELCM. The methodology shall support use of TISAF and the FEAF. The methodology shall include aspects such as enterprise strategies for business and technology, business and technical requirements, enterprise and systems

architectures, design, development, testing, deployment, and other aspects. The ELCM documentation shall include descriptions and templates of the work product artifacts associated with ELCM process activities.

Customs modernization will require various levels of coordinated planning, development and deployment across both modernized systems and existing (hereafter called “legacy”) systems. The Contractor shall document the processes for coordinating modernization activities that are using the ELCM and existing activities that will continue to use the SDLC. Legacy systems under life support that are not needed for modernization will not be required to comply with ELCM. However, legacy systems that will need to be interfaced with modernized systems will be considered to be transitional systems. Transitional systems shall be addressed in the ELCM. A tailored set of ELCM artifacts shall be prepared for transitional systems.

The ELCM shall be consistent with the practices comprising the Software Engineering Institute’s Systems Engineering Capability Maturity Model.

The Contractor shall assist Customs in using the ELCM to improve the maturity of Customs’ systems engineering practices. The Contractor shall provide ongoing training on the Enterprise Life Cycle Methodology to Customs personnel, other Contractors involved in modernization, and the FFRDC.

Modernization activities performed by the Contractor shall conform to the ELCM. The ELCM shall be updated as needed and shall be maintained under configuration management.

### **C.7.3.2 Customs Enterprise Architecture**

Systems developed for Customs will be integrated with systems of other Treasury bureaus and with Other Government Agencies throughout the course of this contract. Therefore, the Contractor shall ensure that enterprise and system architectures conform to Treasury and Federal architecture frameworks.

Customs maintains an Enterprise Architecture that structures the overall business and technical aspects of Customs modernization. The EA describes how information technologies are applied to support planned business needs. An accompanying Customs Technical Reference Model documents technical standards and service areas. The EA Blueprint describes the methodology for applying the EA. The EA is governed by the Investment Management Process at Customs.

Customs controls the EA, but the Contractor shall maintain the EA artifacts, including the documentation, tools, and software and implement systems that conform to the EA throughout the life of this contract. The Contractor shall provide ongoing recommendations to improve the EA to meet Customs strategic goals and priorities.

The Contractor shall define or propose updates to the EA Information Architecture, including an Enterprise Data Management strategy that describes the types of data sources, data user categories, data quality definitions, and data management roles and responsibilities for all enterprise data.

#### **C.7.3.3 Evolution of EA Blueprint**

Customs has developed an EA Blueprint that describes a continuous cycle of four basic elements that enable Customs to adapt to changing environments while ensuring that it stays aligned with the mission of the agency. The EA Blueprint elements are: an architecture strategy, a set of processes, a set of modeling approaches, and the construction of a strategic information asset base.

The Contractor shall assist Customs with the evolution of the EA Blueprint by evaluating and proposing changes to ensure the EA Blueprint represents best practices. Architectures for new systems shall be developed using a similar cycle to the processes defined in the EA Blueprint.

Each architecture shall be updated on a periodic basis. Architectural artifacts shall be configuration-managed in an architecture repository implemented by the Contractor and available to all participants using a Web browser on the Customs Intranet. Traceability of architectures to the EA shall be performed. Policies for managing architectures shall be documented.

#### **C.7.3.4 Business Requirements**

Since many of Customs business requirements are derived from legislation and policies, requirements will continually change during the course of this contract. It is of critical importance to ensure that systems are readily adaptable to incorporate changes. In addition, Customs anticipates continued increases in its workloads across its functional areas. The Contractor shall not only ensure that the Customs systems and infrastructure are very flexible, but the Contractor shall also design and make recommendations that will produce cost savings both to Customs and its Communities of Interest.

Therefore, the Contractor shall implement technologies and systems that will enable easy and frequent extension, modification, and configuration management. Business rules shall be implemented in a fashion to enable rapid changes without technical knowledge of how the rules are stored or executed in software.

The Contractor shall validate prior business process reengineering (BPR) results (for example, the trade compliance redesign). The Contractor shall conduct new BPR activities as directed by Delivery/Task Orders throughout the course of modernization. The Contractor shall document the business processes and requirements via artifacts defined in the ELCM.

### **C.7.3.5 Industry Best Practices and Technology Evolution**

The Contractor shall recommend for Customs approval and implement technologies that represent best industry practices. Best practices shall be examined during design to ensure longevity of system designs and to ensure the capability to coexist with existing components. Technologies shall be evaluated and proposed by the Contractor for Customs approval based upon their capability to position Customs for future growth.

The Contractor shall propose designs for Customs approval and implement component-based architectures that emphasize conformance with widely accepted technology standards (as documented in the Customs TRM) and the use of COTS technology. The architectures will minimize the need for custom development of proprietary components. The architectures will avoid the use of vendor-specific protocols and thereby will reduce Customs' dependence on single suppliers.

Since Customs anticipates continued change in the state-of-the-practice for information technologies, the Contractor shall perform technology forecasts and investigations and prepare technology roadmaps to enable technology refreshment as part of the Enterprise Life Cycle.

The Contractor shall support Customs objectives to enable access to functions and data via the web.

### **C.7.4 Information Assurance**

The Contractor shall establish a security engineering process that shall provide the following:

- Explicitly identify the security needs of the system
- Provide adequate administration of security controls
- Perform assessments of threats, vulnerabilities, and risks
- Facilitate security engineering coordination with other project activities
- Provide assurance that the security objectives are met
- Verify and validate the security solutions

The security engineering process must be fully consistent with the system engineering activities; ensure adequate security training, and manage the product line evolution.

The security components shall fulfill the functional and assurance requirements contained in the NSA/NIST (National Security Agency/National Institute of Standards and Technology) Controlled Access Protection Profile. The confidentiality of transmitted information shall be ensured through the use of NIST Federal

Information Processing Standards (FIPS) validated encryption components as specified in FIPS Pub 140-1. Finally, the security components of the enterprise infrastructure and systems must include capabilities that will allow it to operate in accordance with the appropriate Federal, Treasury, and Customs security regulations. Those regulations include OMB Circular A-130, Treasury Policy Directive 71-10, and Customs Automated Information System Security Policy, CIS HB 1400-05 or its successors.

### **C.7.5 Enterprise Infrastructure Environment**

Based on the evolution of modernization, the Contractor shall recommend infrastructure improvements to the Customs infrastructure organization to ensure the capabilities of the overall Enterprise Infrastructure Environment are consistent with the needs of modernization. This environment includes platforms, networks, and commercial software products, as well as general-purpose software services developed expressly for Customs. All recommendations must be reviewed and approved by Customs before implementation.

Infrastructure services shall conform to the Customs EA and TRM. The TRM describes infrastructure profiles and services within the following service areas: user environment, application services, data services, integration services, and common services.

The infrastructure environment shall be used as a foundation for building and deploying modernized application systems to support business functions. In planning for the development of each modernized system, the Contractor shall identify the infrastructure services required to implement the system. The modernized infrastructure will be established incrementally, as needed.

The Contractor shall recommend infrastructure services or components, but Customs must approve them. Upon receiving approval, the Contractor shall implement, integrate, test, and deploy the services or components for inclusion in the enterprise infrastructure environment. Vendor products that are commercially available and widely used shall be selected for use where appropriate. The Contractor shall produce documents and other work product artifacts required by the ELCM for infrastructure services development.

The Contractor shall work in coordination with other Customs or Treasury Contractors providing infrastructure support. Areas in which other contracts are in place or may be let include but are not limited to:

- Telecommunications and networking service
- Managed services provided for desktops and servers
- Database conversion
- Data Center operations and maintenance



- Licenses and maintenance contracts with software vendors

### **C.7.6 Transition of Legacy to Modernized Systems**

The Contractor shall be responsible for planning for transition from legacy systems to modernized systems. The Contractor shall ensure that the system architectures support interfaces among modernized and legacy systems during the transition period. The Contractor shall also be responsible for transforming any data in legacy databases to modernized databases, and vice versa where necessary. The Contractor shall perform system and integration testing and Customs will perform acceptance testing of the combined systems, connections, and data to ensure they satisfy the business requirements and they do not disrupt the operational environment.

The Contractor shall be responsible for ensuring smooth transitions when changes resulting from modernization are made to the operational environment of systems and infrastructure. This includes when modernized systems are introduced into operations, and when legacy systems are retired from operations. The Contractor shall ensure the continuity of operations and acceptable quality levels of service during any changes to the operational environment.

### **C.7.7 Systems Development**

The Contractor shall assume full responsibility and shall be accountable for the development and deployment of modernized systems. The processes of the Enterprise Life Cycle Methodology shall be used in preparing the system requirements, architecture, design, and in developing, integrating, and testing the system components. The Contractor shall produce documents and other work product artifacts required by the ELCM for these systems development activities.

For each modernized system (e.g., ACE), development standards and guidelines shall be developed, and the development activities shall conform to these standards. The development standards shall include, but not be limited to, modeling tools, software development tools, and documentation tools. The standards and guidelines shall be established in compliance with the EA and SDLC.

The Contractor shall be responsible for the transition of completed systems and infrastructure to Customs staff or other contractors designated by Customs. The Contractor shall provide user and technical training for all such systems and infrastructure.

### **C.7.8 Total Systems Business Partner**

The Contractor shall serve as the Total Systems Business Partner (TSBP). The TSBP shall be responsible for business process reengineering and for aligning information technology goals with the business process goals. The TSBP shall assist the migration by Customs to becoming a knowledge-based organization focused on analytical processing. The TSBP shall be responsible for integrating the

developed software products, software components, databases, business rules, platforms, networks, COTS products, and other elements that are purchased, reused, developed, or to which there are internal legacy interfaces or external interfaces. The TSBP shall be responsible for integration and usability testing of components, services, interfaces, systems, and subsystems. The TSBP shall be responsible for preparing System Acceptance Tests (SATs) that are thorough. The Contractor shall submit all SATs to Customs for approval prior to the performance of testing. The TSBP shall be responsible for demonstrating that each system passes applicable SATs. Customs will perform its own acceptance testing of the combined systems, connections, and data to ensure they satisfy the business requirements and they do not disrupt the operational environment. The TSBP shall be responsible for coordinating efforts with other Customs contractors to ensure the successful modernization of Customs systems.

The TSBP shall assume any and all responsibility for integration activities performed by its Sub-contractors.

#### **C.7.9 Customs Acceptance**

After testing and documenting the deliverable products, the Contractor shall submit all products to Customs for acceptance. Customs will perform acceptance tests independently, review reports from the Contractor testing process, review Contractor-supplied documentation and training materials, and review security reports to determine the acceptability of the product being delivered. The Contractor shall provide briefings, modifications, revisions, and testing assistance as needed to ensure the acceptance of the delivered products.

#### **C.7.10 Operations and Maintenance**

Currently, Customs anticipates performing all operations and maintenance (O&M) with Customs personnel and other contractors. However, at Customs request, the Contractor shall provide services to operate and maintain modernized systems. At Customs request, the Contractor shall also provide O&M services for legacy systems and prototypes.

O&M shall include, as appropriate and as required: distribution and deployment of systems and updates, enterprise systems management and monitoring, service desk operations, disaster recovery activities, and training of Customs personnel and other Contractor personnel. The Contractor shall coordinate the O&M of new systems or component versions with Customs staff to ensure the deployment to new systems does not adversely affect Customs 24 by 7 operational environment. The Contractor shall train Customs staff during dual operation periods to ensure a smooth migration of the systems to Customs' control.

## **C.8 Standards**

All work completed under this contract shall comply with the latest versions of all Customs Directives and Policies, Department of Treasury Directives (TDs), Office of Management and Budget Circulars, Public Laws, American National Standards Institute (ANSI) Standards, and National Institute of Standards and Technology standards, including Federal Information Processing Standards Publications,.

As well, Section J.7 of this Request for Proposals contains a partial list of applicable standards. In addition, individual Delivery/Task Orders will reference any additional standards or exceptions as necessary.

**Section D****Packaging and Marking****D.1 Packaging, Packing and Marking**

Material shall be packaged, packed and marked for shipment in such a manner that will insure acceptance by common carriers and safe delivery at destination.

Containers and closures shall comply with the Department of Transportation, Surface Transportation Board, Uniform Freight Classification Rules, National Motor Freight Classification, or regulations of other carriers as applicable to the mode of transportation.

Packages shall be clearly identified on the outer wrapping with the contract number and delivery/task order number, if applicable.

**D.2 Marking of Reports**

All reports that are required to be delivered under this contract or subsequent delivery/task orders will be marked as follows:

Title:

Contract Number:

Customer:

Date:

**Section E****Inspection and Acceptance****E.1 FAR 52.252-2 Clauses Incorporated by Reference (Feb 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://www.arnet.gov/far/>

NOTICE: The following contract clauses are hereby incorporated by reference:

<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.246-2	INSPECTION OF SUPPLIES – FIXED-PRICE	AUG 1996
	INSPECTION OF SUPPLIES – COST-REIMBURSEMENT	APR 1984
52.246-4	INSPECTION OF SERVICES – FIXED-PRICE	AUG 1996
52.246-5	INSPECTION OF SERVICES – COST-REIMBURSEMENT	APR 1984
	INSPECTION – TIME & MATERIAL AND LABOR HOUR	JAN 1986
52.246-16	RESPONSIBILITY FOR SUPPLIES	APR 1984

**E.2 DTAR 1046.672 Inspection, Acceptance, and Receiving Reports**

The following statement shall be placed on each commercial shipping document, packing list for supplies, or services or Contractor's invoice:

Date:

Contract Number:

Order Number:

Modification Number:

Contractor's Name:

Date items received or date recurring payment due:

Location where items were delivered or contractor's performance:

All the requirements have been inspected, received, and accepted by me and meet the terms of the contract except as noted below:

List the requirements that were not accepted and/or the deductions made and state the reason why.

Total amount of deductions:

Title of authorized government representative:

Signature of authorized government representative:

Date signed:

### **E.2.1 General Inspection and Acceptance Criteria**

Customs will be responsible for noting any deficiencies in products delivered by the Contractor. The Contractor shall have ten (10) working days to address any noted deficiencies and to resubmit a revised edition of the deliverable requested.

Unless otherwise stated in the Task Statement, Customs and the FFRDC will review all deliverables within fifteen (15) working days. The Contractor shall revise the deliverable to address all comments within ten (10) working days.

In general quality measures, as set forth below, will be applied to each deliverable received from the Contractor. Any perceived conflict between quality measures referenced in an individual Task and the quality measures listed below shall be immediately reported to the Contracting Officer.

Contractor deliverables shall adhere to the following general inspection and acceptance criteria, unless otherwise stated in the Task Statement:

- Accuracy – Deliverables shall be accurate in presentation, technical content, and adherence to accepted elements of style.
- Clarity – Deliverables shall be clear and concise; engineering terms shall be used, as appropriate. All diagrams shall be easy to understand and relevant to the supporting narrative.

- Specification Validity – Deliverables must satisfy the requirements of Customs as specified in the Task Statement and resultant Task Proposal.
- File Editing – All text and diagrammatic files shall be editable by Customs.
- Format – Deliverables shall be submitted in hard copy and soft copy. Soft copies shall be submitted in Microsoft Professional Office Suite, Visio or as stated in individual delivery/task orders. Soft copies shall be available via the Web Extranet Site.
- Timeliness – Deliverables shall be submitted on or before the due date specified or submitted in accordance with a later schedule determined by the Contracting Officer.

### **E.2.2 Systems Acceptance**

The Contractor shall perform unit, integration, interface, and system testing for all systems developed for Customs. Customs will be responsible for acceptance testing and the system will not be deemed as acceptable until successful completion of the acceptance test. Final acceptance is contingent upon formal delivery of the system, spares, test equipment, documentation, procedures, and training as well as the successful Customs acceptance test.

The Contractor shall provide incremental releases of the system, when appropriate. The Contractor shall continue support of the system until final operational capability is delivered and Customs formally accepts the system.

Specific acceptance procedures will be defined in the Customs Modernization Enterprise-Wide Project Management Plan or in specific delivery/task orders, as appropriate.

### **E.2.3 Performance Measures**

Performance measures will be used in assessing the level of performance of the Contractor. Performance measures will also be used to identify trends for predicting potential problems.

A sample set of performance measures that Customs will use on this contract is shown in Table E.2.3-1 below. These are general measures that may be applied to one or many delivery/task orders. For each task statement, Customs may include selected performance measures from this table, and may include additional performance measures, as needed, in the actual task statement.

The Contractor shall specify performance measures to be applied to all activities under this contract. Additionally, on a task-by-task basis, the Contractor shall specify additional performance measures in their task proposal that would apply to the specific activities in that tasking.

The Contractor shall recommend how often the metrics are to be reported, and shall define the recommended method for measurement and the level of detail or aggregation to be used for each recommended performance measure. Customs will make the final decisions on these recommendations.

**Table E.2.3-1 Sample Set of Performance Measures**

	<b><i>Performance Measure</i></b>	<b><i>Summary Description</i></b>
1	Staff Resource Utilization	Tracks changes in the estimated vs. actual utilization of staff resources. Identifies over-utilized and under-utilized staff resources.
2	Requirements Volatility	Tracks changes in the system requirements. Identifies whether there are excessive increases or changes in requirements over time.
3	Schedule Volatility	Tracks the completion of individual schedule tasks, whether completed on time, early, or late. Identifies volatility of compliance to the schedule over time.
4	Cost Variance	Tracks the variance of estimated vs. actual costs for completing individual tasks.
5	Activity Complexity	Tracks various factors that contribute to the complexity of activities such as design and development. Factors may include numbers of: phases, teams, parallel activities, deliverables, locations, skill sets required, organizations involved.
6	Code Development Progress	Tracks changes in the estimated vs. actual lines-of-code developed, estimated vs. actual unit test cases written, and estimated vs. actual unit tests successfully completed. Identifies trends of variance from estimates.
7	System Testing Progress	Tracks changes in the estimated vs. actual system test cases written and system tests successfully completed. Identifies trends of variance from estimates.
8	Software Size	Tracks changes in the estimated vs. actual sizes of software developed. Size is measured by lines of code and may be itemized as total lines of code, new lines of code, reused lines of code, and modified lines of code where applicable. Identifies trends in underestimating or overestimating the level-of-effort required to develop code.



	<b><i>Performance Measure</i></b>	<b><i>Summary Description</i></b>
9	Infrastructure Service Utilization	Tracks changes in the estimated vs. actual utilization of infrastructure services. Identifies potential gaps in the functionality provided by common infrastructure services vs. actual system needs, and potential inattention to use of infrastructure services.
10	Fault Density	Measures the ratio of the number of faults (defects, errors, failures) to the number of lines of code. Can be used to measure the quality of the produced software.
11	Trouble Report Resolution	Tracks the number and severity of trouble reports and their status (newly opened, total opened, total reported). Identifies trends of increasing or decreasing trouble reports. Identifies longevity of trouble reports prior to resolution.
12	Action Item Resolution	Tracks the number and severity of action items and their status (newly opened, total opened, total initiated). Identifies longevity of action items prior to resolution.
13	ELCM Process Change Requests	Tracks the number of requests to change processes within the Enterprise Life Cycle Methodology, and their status (opened, accepted, rejected, total opened). Can be used as a measure of quality of the ELCM.
14	ELCM Process Compliance	Tracks the numbers of waivers to the established Enterprise Life Cycle Methodology process activities and work products. Can be used as a measure of applicability of the ELCM.

**Section F****Deliveries or Performance****F.1 FAR 52.252-2 Clauses Incorporated by Reference (Feb 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://www.arnet.gov/far/>

NOTICE: The following contract clauses are hereby incorporated by reference:

<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.242-15	STOP-WORK ORDER	AUG 1989
52.242-17	GOVERNMENT DELAY OF WORK	APR 1984
52.247-34	F.O.B. DESTINATION	NOV 1991
52.247-48	F.O.B. DESTINATION—EVIDENCE OF SHIPMENT	FEB 1999

**F.2 Period of Performance**

The period of performance of this contract shall be from June 1, 2000, through May 31, 2005, unless extended in accordance with contract clause I.5.

The option year periods of performance are as follows:

OPTION I	June 1, 2005, through May 31, 2010
OPTION II	June 1, 2010, through May 31, 2015

### **F.3 Place of Performance**

The place of performance for this contract will be defined separately for each Delivery/Task Order. At a minimum, the contractor shall perform all work under this contract throughout the 50 United States and the District of Columbia, as well as Puerto Rico and all U.S. Territories. Customs retains the right to specify the place of performance however, and, when practical, will solicit input from the Contractor. The Contractor may be required to perform the work on a delivery/task order at a Customs facility. Alternatively, the Contractor may be allowed to perform some, or all, of the work at the Contractor facility.

At a minimum, the Contractor shall establish a local program management office. This office shall be within 30 miles of the Customs Ronald Reagan and Newington facilities.

**Section G****Contract Administration Data****G.1 DTAR 1052.201-70 Contracting Officer's Technical Representative (COTR) Designation and Authority (Sep 1997)**

- (a) The contracting officer's technical representative will be designated at the time of award.
- (b) Performance of work under this contract shall be subject to the technical direction of the COTR identified above, or a representative designated in writing. The term "technical direction" includes, without limitation, direction to the contractor that directs or redirects the labor effort, shifts the work between work areas or locations, fills in details and otherwise serves to ensure that tasks outlined in the work statement are accomplished satisfactorily.
- (c) Technical direction must be within the scope of the specification(s)/work statement. The COTR does not have authority to issue technical direction that:
  - (1) constitutes a change of assignment or additional work outside the specification(s)/work statement;
  - (2) constitutes a change as defined in the clause entitled "Changes";
  - (3) in any manner causes an increase or decrease in the contract price, or the time required for contract performance;
  - (4) changes any of the terms, conditions, or specification(s)/work statement of the contract;
  - (5) interferes with the contractor's right to perform under the terms and conditions of the contract; or,
  - (6) directs, supervises or otherwise controls the actions of the contractor's employees.
- (d) Technical direction may be oral or in writing. The COTR shall confirm oral direction in writing within five workdays, with a copy to the contracting officer.

- (e) The contractor shall proceed promptly with performance resulting from the technical direction issued by the COTR. If, in the opinion of the contractor, any direction of the COTR, or his/her designee, falls within the limitations in (c), above, the contractor shall immediately notify the contracting officer no later than the beginning of the next Government work day.
- (f) Failure of the contractor and the contracting officer to agree that technical direction is within the scope of the contract shall be subject to the terms of the clause entitled "Disputes."

## **G.2 Contracting Officer's Authority**

The Contracting Officer is the only person authorized to approve changes in any of the requirements of this contract. In the event the Contractor effects any changes at the direction of any person other than the Contracting Officer, the changes will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in costs incurred as a result thereof. The Contracting Officer shall be the only individual authorized to accept nonconforming work, waive any requirement of the contract, and/or modify any term or condition of the contract. The Contracting Officer is the only individual who can legally obligate Government funds. No costs chargeable to the proposed contract can be incurred before receipt of a fully executed contract or specific authorization from the Contracting Officer.

## **G.3 Subcontracts/Consultant Arrangements**

- (a) When so required by FAR Part 44, the offeror's proposal shall identify all subcontracts/consultant arrangements proposed. Specifically, the following information shall be provided to the Contracting Officer:
  - (1) Company name of each subcontractor, or the individual name in the case of independent consultants;
  - (2) Names of each subcontractor corporate officers;
  - (3) Name of each subcontractor's key personnel for this contract effort, including each individual's level of effort; and
  - (4) Scope of work to be performed by each subcontractor/ consultant.

- (b) Furthermore, throughout the term of this contract, the Contractor shall obtain prior written authorization from the Contracting Officer for any additions, deletions or changes in subcontract/consultant arrangement entered into for the purpose of performing this contract effort. The Contractor shall furnish the Contracting Officer with the above-specified items of information for any subcontract/consultant arrangement which the Contractor proposed subsequent to contract award. The government may consider revision to this requirement if the contractor has a government approved purchasing system in accordance with FAR Part 44.
- (c) The U.S. Customs Service reserves the right to request the contractor to terminate any subcontractors, individual subcontractor employees, subcontractor principals, or consultants, for malfeasance or other appropriate cause (e.g., theft, criminal record(s), ties to organized crime, etc.).
- (d) The provisions of this clause do not preclude any requirements regarding subcontracts which may be set forth elsewhere in this solicitation/contract.
- (e) Questions regarding this requirement shall be directed to the Contracting Officer.

#### **G.4 Invoice/Voucher Address**

One original and one (1) copy of the invoice/voucher document shall be submitted to the Contract Administrator at the address shown on page 1 of the contract. Two copies shall be mailed to the Contracting Officer's Technical Representative at the following address:

To be designated at time of award.

**Section H****Special Contract Requirements****H.1 DTAR 1052.219-70 SF 294 and SF 295 Reporting (Jul 1998)**

In accordance with the clause entitled "Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan" in Section I and the contract schedule, SF 294 and SF 295 reports shall be submitted to the following personnel:

<u>ADDRESSEE</u>	<u>SUBMIT SF 294</u>	<u>SUBMIT SF 295</u>
Contracting Officer (Address shown on front of contract)	Original	Original
Small Business Specialist	Copy	Copy
Department of the Treasury Office of Small Business Programs (MMD) 1500 Pennsylvania Avenue, NW Room 6100-Annex Washington, DC 20220	N/A	Copy

**H.2 Key Personnel**

- (a) The key personnel specified in this contract are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified individuals to other programs, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the Contractor without the written consent of the Contracting Officer; provided, that the Contracting Officer may confirm in writing such diversion and such confirmation shall constitute the consent of the Contracting Officer dictated by this clause. As appropriate, the list of key personnel may be modified during the term of the contract to either add or delete personnel.

- (b) The Contractor shall assign to this contract the following key personnel:

PERSONNEL	TITLE
-----	-----
<b>to be determined at time of award</b>	

- (c) The Contractor agrees to assign to the contract those persons who are necessary to fill the requirements of the contract whose resumes are submitted with its proposal and who are specifically defined as key personnel. No substitutions shall be made except in accordance with this clause.

- (d) The Contractor agrees that during the first year of the contract, no personnel substitutions will be permitted unless such substitutions are necessitated by an individual's sudden illness, death, or termination of employment. In the event of any of these occurrences, the Contractor shall notify the Contracting Officer promptly and provide the information required by paragraph E below.

After the initial sixty (60) day period, all requests for proposed substitutions must be submitted, in writing, to the Contracting Office at least fifteen (15) days, (thirty (30) days if security clearances are to be obtained) in advance of the proposed substitutions. The requests for substitutions must provide the information required by paragraph E below.

- (e) All requests for substitutions must provide a detailed explanation of the circumstances necessitating the proposed substitutions, a complete resume for each proposed substitute and any other information requested by the Contracting Officer. All proposed substitutes must have qualifications that are equal to or better than the qualifications of the person being replaced as related to the contract work. The Contracting Officer shall evaluate such requests and promptly notify the Contractor whether the proposed substitution has been approved or disapproved.

### **H.3 Publicizing Awards**

Under no circumstances shall the Contractor, or anyone acting on behalf of the Contractor, refer to the supplies, services, or equipment furnished pursuant to the provisions of this contract in any news release or commercial advertising without first obtaining explicit written consent to do so from the Contracting Officer.



The Contractor agrees not to refer to awards in commercial advertising in such a manner as to state or imply that the product or service provided is endorsed or preferred by the Federal Government or is considered by the Government to be superior to other products or services.

## **H.4 Ordering Procedures**

Ordering of services and supplies under this contract shall be accomplished by the issuance of written Delivery/Task Orders specifying the types and quantities of services and/or supplies being ordered. All Delivery/Task Orders issued under this contract shall conform to the provisions of the contract clause in Section I entitled "Ordering."

The only office authorized to issue Delivery/Task Orders under this contract is the U.S. Customs Service, Office of Finance, Procurement Division. Oral orders under this contract are not authorized.

### **H.4.1 Delivery/Task Order Processing**

Delivery/Task Orders will be issued as either "term" or "completion" type. Term orders will specify ongoing work activities that can be defined only on the basis of the level-of-effort to be performed over a period of time. Term orders may or may not require the delivery of a final product. Completion orders will require that the Contractor complete all efforts associated with the Delivery/Task Order by a specified completion date and deliver an end product to Customs.

The following types of Delivery/Task Order are anticipated:

- Cost Plus Award Fee (CPAF)
- Cost Plus Fixed Fee (CPFF)
- Cost Plus Incentive Fee (CPIF)
- Firm Fixed Price (FFP)
- Fixed Price Award Fee (FPAF)
- Fixed Price Incentive Fee (FPIF)
- Time and Materials (T&M)

The type of order will be based on the work to be performed. The Contractor is encouraged to propose alternative task proposals that would demonstrate efficiency, effectiveness or cost savings to the stated task or overall Customs Modernization

effort. The Contractor is also encouraged to offer solutions by submitting proposed tasking to the Contracting Officer for consideration by Customs.

#### **H.4.2 Strategic Objectives of Tasking**

The Contractor shall propose solutions that produce results to meet the goals and objectives of Customs, the Customs Modernization Program and the Customs Community of Interest. The Contractor shall propose solutions that demonstrate:

- Innovative, value-added, cost-in-savings strategies;
- Performance based approaches and costing; and
- Forward thinking that embraces long-term flexibility, efficiency, effectiveness, and customer service.

#### **H.4.3 General Process for Tasking**

The following is the general process that the Customs/Contractor partnership will follow to process individual tasks:

- (a) The Contracting Officer will forward Task Statement(s) to the Contractor. The Task Statements will address the following areas: Background, Scope of Work, Description of Tasks, Government-Furnished Materials; Deliverables and Delivery Schedule; Performance Criteria; Travel; Period of Performance; and Government Contacts.
- (b) The Contractor shall prepare and submit a Task Proposal addressing all areas of the requirement. The Contractor's Task Proposal shall detail: the management and technical approach to meet the requirements; work breakdown structure; cost and fee proposal.
- (c) Customs will conduct an evaluation of the proposal, and the Contracting Officer may conduct discussions with the Contractor to resolve any outstanding items. Following any required discussions with the Contractor, the Contracting Officer will issue a written Delivery/Task Order incorporating the Task Proposal.
- (d) Unless otherwise stated in a Delivery/Task Order or approved by the Contracting Officer, all personnel proposed under an order shall commence work within ten (10) working days after the date the Contractor receives the order. The Contractor shall be responsive to the requirements of the Security Background Data section of this requirement to assist in the timely start date of Contractor personnel. At minimum, the Contractor shall have the appropriate background investigation documents submitted, but is not required to have completed the background investigation.

#### **H.4.4 Contractor's Task Proposal**

The Contractor shall propose innovative and creative solutions that add value to the Customs Modernization Program. The Contractor's Task Proposals shall demonstrate performance, timeliness for deliverables and adherence to original budgeting, and show how the activities to be performed integrate into the overall Modernization Program. The Contractor shall rewrite the Task Statement as a Task Proposal - total solution. The Task Proposal shall describe the approach to add efficiency, effectiveness, and innovation across Task Statements.

The Task Proposal shall include a purpose statement and the following additional items:

- (a) **Proposed Solution:** A narrative description of the Contractor's solution – plans for performance; technical approach; and any issues. The Contractor shall describe how activities in this task integrate into the overall modernization program.
- (b) **Assumptions:** Any assumptions used in developing the Task Proposal (both technical and cost).
- (c) **Detailed Delivery/Task Order Project Plan:** A narrative description of “how” the Contractor will accomplish this task. This shall include; but is not limited to, a description of each task, a detailed schedule and Work Breakdown Structure and identification of work products and their delivery dates.
- (d) **Customs Resources:** A detailed breakdown of the Customs resources; including but not limited to systems, personnel, facilities; that the Contractor requires in order to accomplish the task.
- (e) **Performance Criteria:** Section E.2 identifies the Government's minimum Acceptance Criteria for deliverables. The Contractor shall propose and adhere to performance criteria in performing the activities within the task and across the modernization program. These shall demonstrate efficiency, effectiveness, customer service, and cost savings within the task and across the modernization program. The Task Proposal shall demonstrate the Contractor's ability to meet or exceed the schedule and performance criteria, as well as, perform within the stated budget. This section shall also identify any proposed deviations from the EA or ELCM, as appropriate.
- (f) **Resumes:** The Contractor shall provide resumes of all key personnel. The Contractor shall submit all documentation necessary for all personnel background investigations.

- (g) Location: Detailed description of where the proposed personnel performing this task are located.
- (h) Cost Proposal: Detailed Cost proposal including “Other Direct Costs” and the fee structure to ensure performance goals, schedule, and cost efficiencies.
- (i) Other Required Resources: The Contractor shall identify any facilities, hardware, software, data, or other information required to complete the work.

#### **H.4.5 Use of Other Vendors**

Notwithstanding the scope of this contract, Customs reserves the right to contract with other vendors to fulfill specific modernization requirements.

#### **H.4.6 Limitation of Obligation**

The Contractor is cautioned that the Government's obligation is limited to the amount authorized by the Customs Contracting Officer in a Delivery/Task Order.

### **H.5 Cost Savings/Sharing**

This section will be delineated in the final RFP.

## **H.6 Security**

### **H.6.1 Personnel Security**

#### **H.6.1.1 Introduction**

Everyone has the right to work in an environment free of corruption, misconduct and/or mismanagement. In an effort to ensure overall integrity (of contractor personnel and information), initial screening (personnel security investigations) of potential contractor personnel is conducted to determine an individual's suitability.

A personnel security investigation is conducted to obtain information relative to an individual's character, reputation, reliability, trustworthiness, conduct, loyalty and fitness.

The Personnel Security Branch, Security Programs Division, Office of Internal Affairs, prescribes the policies, procedures, and standards for Customs and contractor personnel security program. This fact results in the necessary background investigations being conducted in accordance with the Office of

Personnel Management, Federal Personnel Manual (FPM), Chapter 736-13 requirements.

These restrictive measures are necessary to ensure adherence to the Trade Secrets Act (18 U.S.C) 1905; the Privacy Act of 1974, (5 U.S.C) 552a; and, the Computer Security Act of 1987 (Public Law 100-235).

#### **H.6.1.2 Eligibility**

Contractors hired for work within the United States or its territories and possessions who require access to Treasury owned or controlled facilities, information systems, security items or products and/or sensitive but unclassified information shall either be U.S. citizens or have lawful permanent resident status. Security screening requirements, however, apply to both U.S. citizens and lawful permanent residents hired as contractors.

#### **H.6.1.3 Background and Investigations**

All Contractor personnel, or personnel responsible to the Contractor, requiring access to Customs sensitive information or entrusted with the management, operation, maintenance, or use of a Customs automated information system processing, storing, or transmitting sensitive information, require an appropriate authorization and shall either currently possess or be able to favorably pass a full field five year employment background investigation.

These background investigations are conducted by Customs Personnel Security Branch. Defense Security Services will issue security clearances to those contractor personnel requiring access to classified information.

The Personnel Security Branch, Office of Internal Affairs, requires that the following forms be completed before a background investigation is initiated. The Contractor shall complete the following forms for all contractor personnel:

- SF-85 and SF85P-S (1 Original and 3 Copies)
- FD-258 (Fingerprint Chart) (3 Originals)
- Release of Information Form (3 Originals)
- Criminal History Request (2 Originals)
- ADP Clearance Form (1 Original)

- Declaration of Federal Employment (1 Original and 2 Copies)
- Financial Statement (CF 257) (1 Original and 1 Copy)

In lieu of a Customs Background Investigation, the Contractor shall provide a Certificate of a Favorably Adjudicated current Background Investigation or Single Scope Background Investigation conducted by Defense Security Services within the last 5 years. It will also be the responsibility of the Contractor to initiate reinvestigations of these persons through Defense Security Services.

#### **H.6.1.3.1 Pre-Screening Checks**

The Contractor shall pre-screen all proposed candidates to determine character and reputation, suitability for employment, and to determine that an individual's qualifications meet required employment standards.

The Contractor shall:

- Develop and use a standard form and pre-screening instructions
- Submit, along with the background investigation paperwork, all pre-screening documentation indicating verification of employment, character reference checks, and credit checks

#### **H.6.1.3.2 Process for Contractor Submission of Names**

The Contractor shall submit within ten (10) working days after issuance of any Delivery/Task Order a list containing the full name, social security number, and date of birth of those people who claim to have successfully passed a background investigation by the U.S. Customs Service or equivalent, or submit such information and documentation as may be required by Customs to have a background investigation performed for all personnel. The information must be correct and be reviewed by a Customs Security Official for completeness.

#### **H.6.1.3.3 Obligation for Contractor Notification of Personnel Changes**

The Contractor shall notify the Contracting Officer's Technical Representative (COTR) and Contracting Officer via phone, FAX, or electronic transmission, no later than one work day after any personnel changes occur. Written confirmation is required for phone notification. This includes, but is not limited to, name changes, resignations, terminations, and reassignments (i.e., to another contract).

#### **H.6.1.3.4 Failure to Pass**

Failure of any Contractor personnel to pass a background investigation shall be cause for the candidate's disqualification or dismissal from the project and replacement by a similar or equally qualified candidate as determined and approved

by the Contracting Officer. This policy also applies to any personnel hired as replacements during the term of the contract.

#### **H.6.1.3.5 Potentially Disqualifying Factors**

When adjudicating the background investigation to determine suitability, Customs reserves the right not to hire contractor personnel based on the following, **potentially** disqualifying factors:

- Abuse of narcotics, drugs, or other controlled substances
- Habitual use of intoxicating beverages to excess
- Criminal, dishonest, infamous or notoriously disgraceful conduct
- Financial irresponsibility
- False statements (material, intentional), deception, or fraud
- Mental or emotional disorders
- Delinquency or misconduct in prior employment
- Reasonable doubt as to loyalty to the U.S. Government
- Any statutory disqualification which makes the individual unfit for the Service
- Refusal to furnish testimony

When adjudicating the investigative findings, to determine suitability for employment, the following special consideration factors are taken into account:

- Position for which the individual is applying/occupying
- Sensitivity of the position
- Nature/seriousness of the conduct
- Recency of conduct
- Age of individual at time of conduct
- Contributing social/environmental conditions
- Recurrence of conduct (and circumstances)
- Other conduct (in combination with issue in question which may be potentially disqualifying)

- Absence/presence of rehabilitation (or efforts toward that end)

### **H.6.2 Facility Security**

The Security Management Branch, Security Programs Division, Office of Internal Affairs, prescribes policies, procedures, and standards for Customs facility security program. These are outlined in:

- Customs Physical Security Handbook (CIS HB 1400-02)
- Safeguarding Classified Information (CIS HB 1400-03)
- Treasury Security Manual (TDP 71-10)
- National Industrial Security Program Operating Manual (NISPOM)

Any systems that will be located in Customs facilities, will interact with operational Customs systems, or will be used to develop, integrate, or test critical or sensitive mission software or information, must adhere to these regulations.

#### **H.6.2.1 Physical Security**

For the purposes of this proposal, an automated information system facility includes physical space housing equipment such as terminals, microcomputers, mainframe systems, communications equipment, or supporting environment control utilities. Facilities also include data storage and documentation libraries (e.g., off-site back-up storage facilities).

Physical security is concerned with the measures designed to prevent unauthorized physical access to equipment, facilities, material, information, and documents, and to safeguard them against espionage, sabotage, damage, tampering, theft, and other covert or overt acts. Automated information system (AIS) hardware, software, and all sensitive information handled by the system will be protected to prevent unauthorized disclosure, modification, or destruction. AIS hardware, software, or documentation must be protected if access to such resources may reveal information that can be used to eliminate, bypass, or otherwise render ineffective the security safeguards (countermeasures) used to protect sensitive information.

The Contractor shall:

- Ensure that sensitive Customs information is processed, stored, or transmitted and protected by control systems and measures consistent with Customs facility security program.



- Ensure that for all types of facilities where sensitive information is stored, processed, or transmitted, physical access is restricted to those individuals who are authorized and who are necessary to complete assigned job functions and related duties.
- Develop and enforce policies and procedures for transferring and controlling sensitive data.
- Ensure that all other personnel granted facility access must be properly escorted and restricted to those areas necessary to complete their tasks.
- Ensure that sensitive Customs information must be protected from unauthorized disclosure.
- Make its site and contract employees available for semi-annual security reviews to ensure compliance with Customs security policies and procedures.
- Ensure that upon termination or transfer of a contract employee, that any Customs property and/or equipment, such as keys, identification cards, manuals, documentation, systems accesses, building passes, and all other materials are returned to the COTR.

The Office of Internal Affairs and the Office of Information and Technology reserve the right to have unannounced visits to ensure that the Contractor is in compliance with Customs security policies and procedures.

#### **H.6.2.2 Environmental Security**

Environmental controls address the requirements to provide appropriate temperature and humidity controls, fire protection, power, and natural disaster protection necessary to ensure the continuity of operations for automated information systems facilities and equipment.

All Contractor facilities supporting large-scale automated information systems operations, such as mainframe computers, servers, or telecommunications facilities containing Customs sensitive data shall address additional environmental controls as determined by operational needs. The Contractor shall address the following controls:

- Fire prevention, detection, suppression, and protection measures
- Water hazard detection, prevention, and corrective measures
- Temperature and humidity controls
- Electric power supply protection

- Protective or control measures from the effects of earthquakes, lightning, windstorms, and other natural disasters
- Protective or control measures from the effects of industrial, environmental, or other physical conditions which might seriously impact normal system operations
- Housekeeping protection from dirt, dust, and other contaminations.
- Personnel safety features.

### **H.6.3 Software and Data Security**

Information contained in Customs systems is not “classified,” but considered “sensitive-but-unclassified” and proprietary to the Customs. These systems contain financial, law enforcement, trade sensitive, and counter narcotics information.

The Contractor shall comply with all policies as outlined in the Automated Information Systems Security Policy Manual (CIS HB 1400-05 June 1996) and the Treasury Security Manual (TDP 71-10) and/or their successors.

The Contractor shall:

- Ensure that sensitive Customs information is processed, stored, or transmitted and protected by control systems and measures consistent with Customs AIS security program.
- Follow the practice of “least privilege.” “Least privilege” means that no person has right to access information solely by virtue of title or position. Access to Customs sensitive data is based on a strict “need-to-know.”
- Ensure that policies are developed and implemented whereby Customs sensitive data, investigative techniques and methodologies, system outages, and other types of sensitive information are not disclosed
- Ensure that policies are developed and implemented whereby unauthorized browsing through computer systems or their data files containing Customs sensitive data is prohibited
- Ensure that prior to the repair, service or disposal of any hardware or software containing Customs sensitive data, all information must be erased from memory storage media (e.g., hard disk, floppy disks, etc.)

- Ensure that all system printouts containing sensitive information (e.g., reports, source codes, screen prints, etc.) are properly secured or destroyed (e.g., burn bag, security shredder, etc.).
- Ensure that used printer ribbons, disks, CD-ROMs, etc. used to print or store Customs sensitive data are disposed of properly
- Ensure that appropriate virus protection software is available and used to avoid the possibility of introducing malicious code (e.g., viruses, worms, etc.) into Customs networks.
- Ensure that all violations or any suspected computer misuse or abuse involving systems containing Customs sensitive data is reported to the Office of Internal Affairs

#### **H.6.4 Disaster Recovery and Contingency Operations Planning**

The Contractor shall have a viable and logical Disaster Recovery and Contingency Operations plan in place for its own automated information systems. The Disaster Recovery and Contingency Plans shall include, at a minimum, the following:

- Emergency response procedures appropriate to government laws, regulations, and directives, civil disorders, fire, flood, natural disasters, bomb threat, or other incidents or activity where lives, property, or the capability to perform essential functions are threatened or seriously impacted.
- Back-up operations plans, procedures, and responsibilities to ensure that essential operations will continue if normal processing or data communications are interrupted for an unacceptable period.
- Post-disaster recovery procedures and responsibilities to facilitate the rapid restoration of normal operations at a site, or if necessary at an alternate facility, following destruction to, major damage to, or other significant interruptions to the primary site.

#### **H.6.5 Security Education, Training, and Awareness**

The Contractor shall ensure that a security education, training, and awareness program is developed and implemented. This program shall be in accordance with the Computer Security Act of 1987, OMB Circular A-130, and applicable laws as they relate to the Customs Service and its data.

The Contractor shall ensure that refresher training is offered annually.

Security awareness training shall include, at a minimum, the following topics:

- Common AIS threats, vulnerabilities, and risks
- Information accessibility, handling, labeling, and storage protection
- Physical and environmental AIS protection considerations
- AIS data access controls and rules of behavior
- Procedures for disaster recovery and contingency planning
- AIS Security configuration management and control requirements
- AIS-related security incident reporting requirements and procedures
- Understanding the laws that protect Customs data

#### **H.6.6 Classified Security**

The Contractor shall be able to handle and store classified information at the Top Secret level.

The Contractor shall comply with all security requirements as mandated by the Department of Defense, Defense Security Service (DSS) National Industrial Security Program Operating Manual (NISPOM -DOD 5220.22-M); Treasury Security Manual (TDP 71-10, Section IV), and Executive Order 12958.

Some of the contract personnel, to be negotiated later under individual task orders, must possess a valid security clearance at the Top Secret level granted by the Defense Security Services.

### **H.7 Organizational Conflicts of Interest**

- (a) The Contractor warrants that, to the best of its knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest, as defined in Federal Acquisition Regulation (FAR) Subpart 9.5, or that the Contractor has disclosed all such relevant information in writing to the Contracting Officer.
- (b) The Contractor agrees that if an actual or potential organizational conflict of interest is discovered after award, the Contractor will make a full disclosure in writing to the Contracting Officer no later than three working days after discovery. This disclosure shall include a description of actions which the Contractor has taken or proposes to take, after consultation with the

Contracting Officer, to avoid, mitigate, or neutralize the actual or potential conflict.

- (c) Remedies. The U.S. Customs Service may terminate this contract for convenience, in whole or in part, if it deems such termination necessary to avoid an organizational conflict of interest. If the Contractor was aware, or should have been aware, of a potential organizational conflict of interest prior to award or discovered an actual or potential conflict after award and did not disclose or misrepresented relevant information to the Contracting Officer, the Government may terminate the contract for default, debar the Contractor from Government contracting, or pursue such other remedies as may be permitted by law or this contract.
- (d) The Contractor further agrees to insert provisions which shall conform substantially to the language of this clause, including this paragraph 4., in any subcontract or consultant agreement hereunder.

## **H.8 Preference for Use of Paper and Paper Products Containing Recovered Material Content**

The Department of the Treasury and its bureaus strongly support the use of paper and paper products with the maximum extent of recovered material content. Although the contractor is not required to utilize paper and paper products containing the percentage of recovered material content as specified in the Department of the Treasury Affirmative Procurement Program for Items with Recovered Material Content, the contractor is encouraged to utilize paper and paper products with recovered material content to the maximum extent possible.

## **H.9 Department of the Treasury Support for Acquisition of Products and Services With Recovered Material Content**

The Department of the Treasury strongly supports the use of products with the maximum extent of recovered material content. Contractors are encouraged to utilize recovered material content wherever such use will allow compliance with the specifications.

## **H.10 Preference for Packaging Consisting of Environmentally-Sound Materials and Recovered Material Content**

It is the policy of the Department of the Treasury to encourage the use of environmentally sound materials and materials containing recovered material content. Contractors are encouraged to utilize packaging materials which are environmentally-sound and consist of recovered material content to the maximum extent possible.

## **H.11 Government Property**

The Contractor will be provided access to the automated system(s) and associated documentation as referenced in Section C, the Statement of Work, for performance of this contract, in accordance with the Section I Government Property clauses. All acquired property in the contractor's custody shall be considered government property.

## **H.12 Disclosure of Information**

Any information made available to the Contractor by the Government shall be used only for the purpose of carrying out the provisions of this contract and shall not be divulged or made known in any manner to any persons except as may be necessary in the performance of the contract.

In performance of this contract, the Contractor assumes responsibility for protection of the confidentiality of Government records and shall ensure that all work performed by its subcontractors shall be under the supervision of the Contractor or the Contractor's responsible employees.

Each officer or employee of the Contractor or any of its subcontractors to whom any Government record may be made available or disclosed shall be notified in writing by the Contractor that information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein. Further disclosure of any such information, by any means, for a purpose or to an extent unauthorized herein, may subject the offender to criminal sanctions imposed by 18 U.S.C. 641. That section provides, in pertinent part, that whoever knowingly converts to their use or the use of another, or without authority, sells, conveys, or disposes of any record of the United States or whoever receives the same with intent to convert it to their use

or gain, knowing it to have been converted, shall be guilty of a crime punishable by a fine of up to \$10,000, or imprisoned up to ten years, or both.

### **H.13 Travel**

Travel and per diem rates for reimbursement purposes shall be in accordance with acceptable accounting procedures and Federal Acquisition Regulation (FAR) 31.205-46.

The Contractor shall be reimbursed by the Government for travel costs required in performance of this contract provided such travel has the prior approval of the Contracting Officer. Requests for travel shall be in writing and shall include the dates, locations, and estimated costs of the travel.

No General & Administrative (G&A) costs or profit will be paid on travel costs.

### **H.14 Performance Evaluations**

This contract is subject to performance evaluations. Interim evaluations may be conducted during the contract period, however, thirty days after the end of each contract period and at the end of contract completion, an initial government evaluation will be forwarded to the contractor. The contractor will be requested to provide written comments, if any, within a minimum of 30 days after the letter date. The contractor's comments will be considered in the issuance of the final evaluation document. Any disagreement between the parties regarding the evaluation will be forwarded to the Director, Procurement Division. The ultimate conclusion of the performance evaluation is a decision of the Customs Service. A copy of the final performance evaluation report will be sent to the contractor.

### **H.15 Year 2000 Warranty—Non-Commercial Supply Items (Oct 1997)**

The contractor warrants that each non-commercial item of hardware, software, and firmware delivered or developed under this contract and listed below shall be able to accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000, and leap year calculations, to the extent that other information technology, when used in combination with the information

technology being acquired, properly exchange date/time data with it, when used in accordance with the product documentation provided by the contractor. If the contract requires that the specific listed products must perform as a system in accordance with the foregoing warranty, then that warranty shall apply to those listed products as a system. The duration of this warranty and the remedies available to the Government for breach of this warranty shall be as defined in, and subject to, the terms and limitations of contractor's standard commercial warranty or warranties contained in this contract, provided that notwithstanding any provision to the contrary in such commercial warranty or warranties, the remedies available to the Government under this warranty shall include repair or replacement of any listed product whose non-compliance is discovered and made known to the contractor in writing within ninety (90) days after acceptance. Nothing in this warranty shall be construed to limit any rights or remedies the Government may otherwise have under this contract with respect to defects other than Year 2000 performance. Items: ALL

## **H.16 Intellectual Property Rights**

Customs requires an unusual degree of flexibility in the intellectual property rights it receives pursuant to this contract to obtain the maximum benefit in support of the mission, including but not limited to the ability to integrate or interconnect not only with other federal agencies, but also with the Customs Community of Interest, state and local governments, foreign countries, and international organizations for purposes such as joint or cooperative modernization efforts. The rights below apply to all task orders or delivery orders unless greater or lesser rights are negotiated and specified in the individual task/delivery orders.

Customs limited and unlimited rights under FAR 52.227-14 are expanded to include for Customs the right to issue sub licenses to state or local governments and their instrumentalities, foreign governments, and international organizations. The Customs limited rights include use by Customs, other government contractors for the preparation of their proposals or the performance of their contracts, and evaluation by non government evaluators.

No modification to data shall be considered a "minor modification" and the Government shall be provided with unlimited rights to such modifications. For purposes of the preceding sentence, the term "modification" means those modifications that are developed for the purpose of performing this contract, whether or not they are later commercialized. The term does not include those modifications developed independent of contract performance that are issued, or offered, to all



users of the underlying product from time to time as part of the normal life of the underlying product.

## **H.17 Documentation, Escrow, and Code Deliverables**

### **(a) Source Code**

With the initial delivery of the system's/item's software package, the Contractor shall provide to the Contracting Officer complete, accurate, and current source code material for all customer source code software. For the purpose of this clause, "source code material" means source code and source code listings, provided in computer-sensible form and on media capable of being used as input to the *(system name(s) to be inserted on a Task Order by Task Order basis)* for compilation; related documentation; and any commentary necessary for a software engineer to understand the source code, all indexed and organized by the Contractor for ease of use. For the purposes of this clause, "customer source code software" is defined as every item of software that is either proposed for use or delivered under this contract, or both, if the Contractor has provided the software item's source code or source code listing to another customer incident to a sale of the software item.

### **(b) Escrow Requirements**

- (1) To ensure adequate performance, and for the benefit of Customs, Customs insists upon adequate performance of the *(software application(s) name(s) to be inserted on a Task Order by Task Order basis)* and requires procedures to ensure that its current and future operations are successful and as free from operating errors as possible. The Contractor shall assign a copy of the source code material to an independent Contractor for all software that is either proposed for delivery or delivered under this contract, or both, unless such has already been provided directly to Customs as customer source code software. The Contractor shall ensure that its subcontractors, by way of flow-down provisions or otherwise, are informed of this requirement and shall comply with these terms.
- The independent Contractor shall hereafter be referred to as the "Escrowee" and the agreement under which assignment is made shall hereafter be referred to as the "Agreement." As used in this clause, the terms "escrow" and the "escrowee" are used for purposes of convenient reference only and are not intended to define the rights, duties, and obligations of the parties. The Escrowee shall be an institution or entity that routinely engages in the

practice of holding software source code for the benefit of third-parties licensed to use the related object code or software programs. The Escrowee shall be financially and operationally independent of the Contractor, including the Contractor's parent company, subcontractors, subsidiaries, and affiliates.

- (2) Within ten calendar days from the Contractor's first delivery of software to Customs, or within ten calendar days from the delivery of changed or updated software to Customs, the Contractor shall deliver to the Escrowee one copy of the related source code materials. The Contractor warrants that the source code material delivered to the Escrowee will be complete, accurate, and current.

(c) Escrow Agreement

The Contractor shall provide to the Government a tripartite Agreement, signed by officials of the Contractor and the Escrowee authorized to make such commitments, and with a signature block prepared for a Contracting Officer of the United States. The Agreement, all undertakings of which will be borne at the expense of the Contractor shall provide as a minimum.

- (1) The paramount purpose of the Agreement is to ensure the adequate performance of the *(software application(s) name(s) to be inserted on a Task Order by Task Order basis)* for the benefit of the United States;
- (2) Within ten calendar days from the Contractor's first delivery of software to Customs, or within ten calendar days from the delivery of changed or updated software to Customs, the Contractor shall assign and deliver to the Escrowee one copy of the related source code material unless the source code material is to be made available to Customs directly;
- (3) The Contractor warrants to the Escrowee that the source code material developed is complete, accurate, and current;
- (4) The Escrowee will not use the source code and, except upon a condition of default or in audit as described below, will reveal it to no other person or entity;
- (5) The Escrowee will destroy the source code material upon notification from Customs that the related software is no longer in use, provide a certificate of destruction to Customs, and that under no condition will the source code material be returned to the Contractor;
- (6) The Contractor will provide to the Escrowee and Customs monthly reports detailing the changes made to the software provided to Customs (negative reports are required), and these reports shall be so detailed as to give the

information necessary to verify that the source code material delivered to the Escrowee and the software delivered to the Government are consistent;

- (7) Customs is authorized to audit (but not copy) four (4) times per year, the source code material and reports, by sampling, at the location of the Escrowee to verify that the source code material is current;
- (8) The Escrowee shall surrender to Customs source code material in its possession for software that is determined by the Contracting Officer to be operating beneath the standard of performance set forth in this contract, and for which the Contractor has been determined to be in default by the Contracting Officer and notified of a partial or total termination for default; such surrender to be made within ten calendar days of the Contracting Officer's written request, provided the request states that use of the source code material is necessary to return the software to an acceptable level of performance and attaches documentation sufficient to establish the other conditions set forth in this contract.
- (9) Customs, as a result of audit, or after delivery upon a condition of default and notwithstanding its legal and equitable title in the copy of source code material thus delivered, will use the source code only to perfect operation of the related software and will disclose it to no other person or entity, except as is necessary to perfect operation of the related software, and then only upon conditions of non-disclosure for any other purpose to third parties;
- (10) The Agreement is not intended to establish a right or benefit in any successor in interest to the licensor unless specifically approved by the Government;
- (11) While conditions for surrender of the source code material from the Escrowee to Customs may be established by reference to conditions of performance under the (*system name(s) to be inserted on a Task Order by Task Order basis*) being acquired or developed, the obligations of the Escrowee to Customs under the Agreement will survive any termination, cancellation, or repudiation of the (*system name(s) to be inserted on a Task Order by Task Order basis*) being acquired or developed; and,
- (12) The terms of the Agreement are not intended to provide Customs with a copyright in the software or to interfere with the rights in data established under the (*system(s) name(s) to be inserted on a Task Order by Task Order basis*) being acquired or developed.

(d) Escrow Waiver

The requirement to assign and deliver source code material to an independent Contractor under an "Escrow Agreement" may be waived, whether in whole or in part, at the discretion of the Contracting Officer upon the written request of the Contractor. Specific items for which waiver is granted shall expressly be identified in this contract. "In granting a request for waiver, in whole or part, the Contracting Officer may consider any fact found relevant to exercising informed discretion, including, but, not limited to, any or all of the following:

- (1) The extent of the Contractor's (and its subcontractor's) experience in supporting and maintaining software on projects of similar or larger scope and dollar value;
- (2) The sufficiency and quality of the Contractor's past performance and that of its subcontractor's; and
- (3) The market strength and influence of the Contractor, its subcontractors, and any involved software suppliers."

(e) Disputes

A dispute between the Contractor and Customs relating to the obligations of the parties to the "Escrow Agreement" shall be resolved in accordance the Disputes clause of this contract.

## **H.18 Software Maintenance**

If software maintenance is ordered as part of the individual Delivery/Task Order, the Contractor shall provide, with its proposal, a detailed plan for software maintenance that includes, at a minimum, the requirements detailed below. The Contractor shall propose a plan for testing new releases, versions, changes, modifications, improvements, and updates; maintaining a qualified staff to handle all software support and maintenance requirements; providing procedures for the distribution of new releases, versions, changes, modifications, improvements, or updates to software or its documentation; and problem escalation procedures.

If directed by Customs, the Contractor shall support all software delivered pursuant to the provisions of the contract for the life of the contract, including all renewals thereof. The Contractor's maintenance obligations include the maintenance of new releases, versions, changes, modifications, improvements, and updates delivered

pursuant to the provisions of the contract for the life of the contract, including all renewals thereof. Software support and maintenance shall consist of the correction of errors and providing all release, versions, changes, modifications, improvements, and updates to the software and its documentation introduced during the life of the contract, including all renewals thereof, regardless of whether they are produced by the Contractor, its subcontractors or suppliers, or the software author.

Customs shall be provided with full documentation of all releases, versions, changes, modifications, improvements, and updates to the software and its documentation provided under this contract. Customs reserves the right to accept or reject releases, versions, changes, modifications, improvements, and updates. If accepted, the Contractor shall maintain the software and its documentation thus altered. If rejected, the Contractor shall continue to maintain the software and its documentation then being provided under the contract. Customs shall be able to accept or reject any further releases, versions, changes, modifications, improvements, or updates to the software and its documentation. Customs thus reserves the right to “skip” a release, version, change, modification, improvement, or update.

## **H.19 Warranty of Software**

This section will be delineated in the final RFP.

## Part II: Contract Clauses

### Section I

## Contract Clauses

### I.1 FAR 52.252-2 Clauses Incorporated by Reference (Feb 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://www.arnet.gov/far/>

NOTICE: The following contract clauses are hereby incorporated by reference:

#### I. FEDERAL ACQUISITION REGULATION -(FAR) (48 CFR CHAPTER 1) CLAUSES

<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.202-1	DEFINITIONS	OCT 1995
52.203-3	GRATUITIES	APR 1984
52.203-5	COVENANT AGAINST CONTINGENT FEES	APR 1984
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT	JUL 1995
52.203-7	ANTI-KICKBACK PROCEDURES	JUL 1995
52.203-8	CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN 1997
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	JUN 1997
52.204-4	PRINTING/COPYING DOUBLE-SIDED ON RECYCLED PAPER	JUN 1996
52.207-5	OPTION TO PURCHASE EQUIPMENT	FEB 1995
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	JUL 1995
52.215-2	AUDIT AND RECORDS—NEGOTIATION	JUN 1999

<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.215-8	ORDER OF PRECEDENCE—UNIFORM CONTRACT FORMAT	OCT 1997
52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS	DEC 1998
52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS	OCT 1997
52.215-19	NOTIFICATION OF OWNERSHIP CHANGES	OCT 1997
52.216-7	ALLOWABLE COST AND PAYMENT	APR 1998
52.216-8	FIXED FEE	MAR 1997
52.216-10	INCENTIVE FEE	MAR 1998
52.216-16	INCENTIVE PRICE REVISION—FIRM TARGET	OCT 1997
52.216-17	INCENTIVE PRICE REVISION—SUCCESSIVE TARGETS	OCT 1997
52.216-22	INDIFINITE QUANTITY	OCT 1995
52.217-2	CANCELLATION UNDER MULTI-YEAR CONTRACTS	OCT 1997
52.217-8	OPTION TO EXTEND SERVICES	AUG 1989
52.219-4	NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZONE SMALL BUSINESS CONCERNS	JAN 1999
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS	JUN 1999
52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN ALTERNATE II (JAN 1999)	JAN 1999
52.219-23	NOTICE OF PRICE EVALUATION ADJUSTMENT FOR SMALL DISADVANTAGED BUSINES CONCERNS	OCT 1998
52.219-25	SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM—DISADVANTAGED STATUS AND REPORTING	JAN 1999
52.222-1	NOTICE TO THE GOVERNMENT OF LABOR DISPUTES	FEB 1997
52.222-3	CONVICT LABOR	AUG 1996
52.222-4	CONTRACT WORK HOURS AND SAFETY STANDARDS ACT-OVERTIME COMPENSATION	JUL 1995
52.222-21	PROHIBITION OF SEGREGATED FACILITIES	FEB 1999
52.222-26	EQUAL OPPORTUNITY	FEB 1999
52.222-35	AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA	APR 1998
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES	JUN 1998
52.222-37	EMPLOYMENT REPORTS ON DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA	JAN 1999
52.222-41	SERVICE CONTRACT ACT OF 1965, AS AMENDED	MAY 1989

<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.222-43	FAIR LABOR STANDARDS ACT AND SERVICE CONTRACT ACT—PRICE ADJUSTMENT (MULTIPLE YEAR AND OPTION CONTRACTS)	MAY 1989
52.223-2	CLEAN AIR AND WATER	APR 1984
52.223-5	POLLUTION PREVENTION AND RIGHT-TO-KNOW INFORMATION	APR 1998
52.223-6	DRUG-FREE WORKPLACE	JAN 1997
52.223-12	REFRIGERATION EQUIPMENT AND AIR CONDITIONERS	MAY 1995
52.224-1	PRIVACY ACT NOTIFICATION	APR 1984
52.224-2	PRIVACY ACT	APR 1984
52.225-3	BUY AMERICAN ACT—SUPPLIES	JAN 1994
52.225-9	BUY AMERICAN ACT—TRADE AGREEMENTS—BALANCE OF PAYMENTS PROGRAM	JAN 1996
52.225-10	DUTY-FREE ENTRY	APR 1984
52.225-11	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	AUG 1998
52.227-1	AUTHORIZATION AND CONSENT	JUL 1995
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT	AUG 1996
52.227-3	PATENT INDEMNITY	APR 1984
52.227-14	RIGHTS IN DATA—GENERAL ALTERNATE III (JUN 1987)	JUN 1987
52.227-16	ADDITIONAL DATA REQUIREMENTS	JAN 1987
52.227-17	RIGHTS IN DATA—SPECIAL WORKS	JUN 1987
52.227-19	COMMERCIAL COMPUTER SOFTWARE—RESTRICTED RIGHTS	JUN 1987
52.227-21	TECHNICAL DATA DECLARATION, REVISION, AND WITHHOLDING OF PAYMENT—MAJOR SYSTEMS	JAN 1997
52.227-22	MAJOR SYSTEMS—MINIMUM RIGHTS	JUN 1987
52.229-3	FEDERAL, STATE AND LOCAL TAXES	JAN 1991
52.229-5	TAXES—CONTRACTS PERFORMED IN U.S. POSSESSIONS OR PUERTO RICO	APR 1984
52.230-2	COST ACCOUNTING STANDARDS	APR 1998
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS	APR 1996
52.232-1	PAYMENTS	APR 1984
52.232-7	PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS	FEB 1997
52.232-8	DISCOUNTS FOR PROMPT PAYMENT	MAY 1997
52.232-9	LIMITATION ON WITHHOLDING OF PAYMENTS	APR 1984
52.232-17	INTEREST	JUN 1996



<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.232-23	ASSIGNMENT OF CLAIMS	JAN 1986
52.232-25	PROMPT PAYMENT	JUN 1997
52.232-33	PAYMENT BY ELECTRONIC FUNDS—CENTRAL CONTRACTOR REGISTRATION	MAY 1999
52.233-1	DISPUTES ALTERNATE I (DEC 1991)	DEC 1998
52.233-3	PROTEST AFTER AWARD ALTERNATE I (JUN 1985)	AUG 1996
52.237-2	PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION	APR 1984
52.237-3	CONTINUITY OF SERVICES	JAN 1991
52.239-1	PRIVACY OR SECURITY SAFEGUARDS	AUG 1996
52.242-1	NOTICE OF INTENT TO DISALLOW COSTS	APR 1984
52.242-3	PENALTIES FOR UNALLOWABLE COSTS	OCT 1995
52.242-4	CERTIFICATION OF FINAL INDIRECT COSTS	JAN 1997
52.242-13	BANKRUPTCY	JUL 1995
52.243-1	CHANGES—FIXED-PRICE ALTERNATE II (APR 1984)	AUG 1987
52.243-2	CHANGES—COST REIMBURSEMENT ALTERNATE II (APR 1984)	AUG 1987
52.243-3	CHANGES—TIME-AND-MATERIALS OR LABOR-HOUR	AUG 1987
52.243-7	NOTIFICATION OF CHANGES	APR 1984
52.244-2	SUBCONTRACTS ALTERNATE II (AUG 1998)	AUG 1998
52.244-5	COMPETITION IN SUBCONTRACTING	DEC 1996
52.244-6	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS	OCT 1998
52.245-5	GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME AND MATERIALS, OR LABOR HOUR CONTRACTS)	JAN 1986
52.246-20	WARRANTY OF SERVICES	APR 1984
52.246-23	LIMITATION OF LIABILITY	FEB 1997
52.246-25	LIMITATION OF LIABILITY—SERVICES	FEB 1997
52.247-63	PREFERENCE FOR U.S.-FLAG AIR CARRIERS	JAN 1997
52.249-2	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)	SEP 1996
52.249-6	TERMINATION (COST-REIMBURSEMENT)	SEP 1996
52.249-8	DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)	APR 1984
52.249-14	EXCUSABLE DELAYS	APR 1984
52.251-1	GOVERNMENT SUPPLY SOURCES	APR 1984
52.253-1	COMPUTER GENERATED FORMS	JAN 1991

**I.2 52.204-1 Approval of Contract (Dec 1989)**

This contract is subject to the written approval of the Director, Office of Procurement, Department of the Treasury or a duly authorized representative and shall not be binding until so approved.

**I.3 52.216-18 Ordering (Oct 1995)**

- (a) Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery/task orders by the individuals or activities designated in the Schedule. Such orders may be issued during the term of the contract.
- (b) All delivery/task orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery/task order and this contract, the contract shall control.
- (c) If mailed, a delivery/task order is considered "issued" when the Government deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods only if authorized in the Schedule.

**I.4 52.216-19 Order Limitations (Oct 1995)**

- (a) Minimum order. When the Government requires supplies or services covered by this contract in an amount of less than \$1,000.00, the Government is not obligated to purchase, nor is the Contractor obligated to furnish, those supplies or services under the contract.
- (b) Maximum order. The Contractor is not obligated to honor—
  - (1) Any order for a single item in excess of \$200,000,000.00;
  - (2) Any order for a combination of items in excess of \$500,000,000.00;
  - (3) A series of orders from the same ordering office within days that together call for quantities exceeding the limitation in subparagraph (b)(1) or (2) above.
- (c) If this is a requirements contract (i.e., includes the Requirements clause at subsection 52.216-21 of the Federal Acquisition Regulation), the Government is not required to order a part of any one requirement from the Contractor if that requirement exceeds the maximum-order limitations in paragraph (b) above.
- (d) Notwithstanding paragraphs (b) and (c) above, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within days after issuance, with written notice stating the Contractor's intent not to ship the item (or items)

called for and the reasons. Upon receiving this notice, the Government may acquire the supplies or services from another source.

**I.5 52.217-9 Option to Extend the Term of the Contract  
(Mar 1989)**

- (a) The Government may extend the term of this contract by written notice to the Contractor by the first day of each Government fiscal year or within 60 days after funds for the fiscal year become available, whichever date is later; provided that the Government shall give the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension.
- (b) If the Government exercises this option, the extended contract shall be considered to include this option provision.
- (c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed 15 years.

**I.6 52.219-23 Notice of Price Evaluation Adjustment for Small  
Disadvantaged Business Concerns (Oct 1998)**

- (a) Definitions. As used in this clause—

Small disadvantaged business concern means an offeror that represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either—

- (1) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and
  - (i) No material change in disadvantaged ownership and control has occurred since its certification;
  - (ii) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
  - (iii) It is listed, on the date of its representation, on the register of small disadvantaged business concerns maintained by the Small Business Administration;
- (2) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a

decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted. In this case, in order to receive the benefit of a price evaluation adjustment, an offeror must receive certification as a small disadvantaged business concern by the Small Business Administration prior to contract award; or

- (3) Is a joint venture as defined in 13 CFR 124.1002(f).

Historically black college or university means an institution determined by the Secretary of Education to meet the requirements of 34 CFR 608.2. For the Department of Defense (DoD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, the term also includes any nonprofit research institution that was an integral part of such a college or university before November 14, 1986.

Minority institution means an institution of higher education meeting the requirements of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C. 1135d-5(3)) which, for purposes of this clause, includes a Hispanic-serving institution of higher education as defined in Section 316(b)(1) of the Act (20 U.S.C. 1059c(b)(1)).

United States means the United States, its territories and possessions, the Commonwealth of Puerto Rico, the U.S. Trust Territory of the Pacific Islands, and the District of Columbia.

(b) Evaluation adjustment.

- (1) Offers will be evaluated by adding a factor of 10 percent to the price of all offers, except—
- (i) Offers from small disadvantaged business concerns that have not waived the adjustment;
  - (ii) For DOD, NASA, and Coast Guard acquisitions, otherwise successful offers from historically black colleges or universities or minority institutions;
  - (iii) Otherwise successful offers of eligible products under the Trade Agreements Act when the dollar threshold for application of the Act is equaled or exceeded (see section 25.402 of the Federal Acquisition Regulation);
  - (iv) Otherwise successful offers where application of the factor would be inconsistent with a Memorandum of Understanding or other international agreement with a foreign government; and

- (v) For DOD acquisitions, otherwise successful offers of qualifying country end products (see sections 225.000-70 and 252.225-7001 of the Defense FAR Supplement).
- (2) The factor shall be applied on a line item basis or to any group of items on which award may be made. Other evaluation factors described in the solicitation shall be applied before application of the factor. The factor may not be applied if using the adjustment would cause the contract award to be made at a price that exceeds the fair market price by more than the factor in paragraph (b)(1) of this clause.
- (c) Waiver of evaluation adjustment. A small disadvantaged business concern may elect to waive the adjustment, in which case the factor will be added to its offer for evaluation purposes. The agreements in paragraph (d) of this clause do not apply to offers that waive the adjustment.
- [ ] Offeror elects to waive the adjustment.
- (d) Agreements.
  - (1) A small disadvantaged business concern, that did not waive the adjustment, agrees that in performance of the contract, in the case of a contract for –
    - (i) Services, except construction, at least 50 percent of the cost of personnel for contract performance will be spent for employees of the concern;
    - (ii) Supplies (other than procurement from a nonmanufacturer of such supplies), at least 50 percent of the cost of manufacturing, excluding the cost of materials, will be performed by the concern;
    - (iii) General construction, at least 15 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern; or
    - (iv) Construction by special trade contractors, at least 25 percent of the cost of the contract, excluding the cost of materials, will be performed by employees of the concern.
  - (2) A small disadvantaged business concern submitting an offer in its own name agrees to furnish in performing this contract only end items manufactured or produced by small disadvantaged business concerns in the United States. This paragraph does not apply in connection with construction or service contracts.

## **I.7 52.222-42 Statement of Equivalent Rates for Federal Hires (May 1989)**

In compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR Part 4), this clause identifies the classes of service employees expected to be employed under the contract and

states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

This Statement is for Information Only: It is not a Wage Determination. No further information is available.

### **I.8 52.222-49 Service Contract Act - Place Of Performance Unknown (May 1989)**

- (a) This contract is subject to the Service Contract Act, and the place of performance was unknown when the solicitation was issued. In addition to places or areas identified in wage determinations, if any, attached to the solicitation, wage determinations have also been requested for the following: None. The Contracting Officer will request wage determinations for additional places or areas of performance if asked to do so in writing prior to contract award.
- (b) Offerors who intend to perform in a place or area of performance for which a wage determination has not been attached or requested may nevertheless submit bids or proposals. However, a wage determination shall be requested and incorporated in the resultant contract retroactive to the date of contract award, and there shall be no adjustment in the contract price.

### **I.9 52.227-23 Rights To Proposal Data (Technical) (Jun 1987)**

Except for data contained on pages , it is agreed that as a condition of award of this contract, and notwithstanding the conditions of any notice appearing thereon, the Government shall have unlimited rights (as defined in the "Rights in Data—General" clause contained in this contract) in and to the technical data contained in the proposal dated upon which this contract is based.

### **I.10 52.252-6 Authorized Deviations in Clauses (Apr 1984)**

- (a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.
- (b) The use in this solicitation or contract of any FAR (48 CFR Chapter) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

## **I.11 DTAR1052.203-12 Limitation on Payments to Influence Certain Federal Transactions (Jan 1990) (Deviation)**

(a) Definitions.

“Agency,” as used in this clause, means executive agency as defined in 2.101.

“Covered Federal action,” as used in this clause, means any of the following Federal actions:

- (a) The awarding of any Federal contract.
- (b) The making of any Federal grant.
- (c) The making of any Federal loan.
- (d) The entering into of any cooperative agreement.
- (e) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

“Indian tribe” and “tribal organization,” as used in this clause, have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) and include Alaskan natives.

“Influencing or attempting to influence,” as used in this clause, means making, with the intent to influence, any communication to or an appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

“Local government,” as used in this clause, means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

“Officer or employee of an agency,” as used in this clause, includes the following individuals who are employed by an agency:

- (a) An individual who is appointed to a position in the Government under title 5, United States Code, including a position under a temporary appointment.
- (b) A member of the uniformed services, as defined in subsection 101(3), title 37, United States Code.
- (c) A special Government employee, as defined in section 202, title 18, United States Code.
- (d) An individual who is a member of a Federal Advisory Committee Act, title 5, United States Code, appendix 2.

“Person,” as used in this clause, means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit, or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

“Reasonable compensation,” as used in this clause, means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for such work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

“Reasonable payment,” as used in this clause, means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

“Recipient,” as used in this clause, includes the Contractor and all subcontractors. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

“Regularly employed,” as used in this clause, means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract. An officer or employee who is employed by such person for less than 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

“State,” as used in this clause, means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibitions.

- (1) Section 1352 of title 31, United States Code, among other things, prohibits a recipient of a Federal contract, grant, loan, or cooperative agreement from using appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal action: The awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into any cooperative agreement; or



the modification of any Federal contract, grant, loan, or cooperative agreement.

- (2) The Act also requires Contractors to furnish a disclosure if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan or cooperative agreement.
- (3) The prohibitions of the Act do not apply under the following conditions:
  - (i) Agency and legislative liaison by own employees.
    - (A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.
    - (B) For purposes of subdivision (b)(3)(I)(A) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.
    - (C) The following agency and legislative liaison activities are permitted at any time where they are not related to a specific solicitation for any covered Federal action:
      - (1) Discussing with an agency the qualities and characteristics (including individual demonstrations) of the person's products or services, conditions or terms of sale, and service capabilities.
      - (2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.
    - (D) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action—
      - (1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;
      - (2) Technical discussions regarding the preparation of any unsolicited proposal prior to its official submission; and

- (3) Capability presentations by persons seeking awards from an agency pursuant to the provision of the Small Business Act, as amended by Pub. L. 95-507, and subsequent amendments.
- (E) Only those services expressly authorized by subdivision (b)(3)(I)(A) of this clause are permitted under this clause.
- (ii) Professional and technical services.
  - (A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of-
    - (1) A payment of reasonable compensation made to an officer of employee of a person requesting or receiving a covered Federal action or any extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.
    - (2) Any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action or any extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.
  - (B) For purposes of subdivision (b)(3)(ii)(A) of this clause, “professional and technical services” shall be limited to advice and analysis directly applying any professional or technical discipline. The following examples are not intended to be all inclusive, to limit the application of the professional or technical exemption provided in the law, or to limit the exemption to licensed professionals. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communication with a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise

and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communication with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of an bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

- (C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation and any other requirements in the actual award documents.
- (D) Only those services expressly authorized by subdivisions (b)(3)(ii)(A)(1) and (2) of this clause are permitted under this clause.
- (E) The reporting requirements of FAR 3.803(a) shall not apply with respect to payments of reasonable compensation made to regularly employed officer or employees of a person.

(iii) Selling activities by independent sales representatives. The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

- (A) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and
- (B) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(c) Disclosure.

- (1) The Contractor who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, OMB standard form LLL, Disclosure of Lobbying Activities, if such person has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered Federal action), which would be prohibited under subparagraph (b)(1) of this clause, if paid for with appropriated funds.

- (2) The Contractor shall file a disclosure form at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under subparagraph (c)(1) of this clause. An event that materially affects the accuracy of the information reported includes-
  - (i) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
  - (ii) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
  - (iii) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (3) The Contractor shall require the submittal of a certification, and if required, a disclosure form by any person who requests or receives any subcontract exceeding \$100,000 under the Federal contract.
- (4) All subcontractor disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the prime Contractor. The prime Contractor shall submit all disclosures to the Contracting Officer at the end of the calendar quarter in which the disclosure form is submitted by the subcontractor. Each Department of the Treasury Acquisition Regulation (DTAR) 52-7 (DTAR Change 98-01) subcontractor certification shall be retained in the subcontract file of the awarding Contractor.
- (d) Agreement. The Contractor agrees not to make any payment prohibited by this clause.
- (e) Penalties.
  - (1) Any person who makes an expenditure prohibited under paragraph (a) of this clause or who fails to file or amend the disclosure form to be filed or amended by paragraph (b) of this clause shall be subject to civil penalties as provided by 31 USC 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.
  - (2) Contractors may rely without liability on the representation made by their subcontractors in the certification and disclosure form.
- (f) Cost allowability. Nothing in this clause makes allowable or reasonable any cost which would otherwise be unallowable or unreasonable. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any other provision.

## Part III: List of Documents, Exhibits and Other Attachments

### Section J

### List of Attachments

<u>Number</u>	<u>Title</u>	<u>No. Pages</u>
1	Small Business/Small Disadvantaged Business Subcontracting Plan	12
2	Experience and Past Performance Information and Evaluation Form	1
3	Resume Format for Key Personnel	1
4	Web Site Documents	6
5	Customs Organization	9
6	List of Legislation	2
7	List of Standards	5
8	Task Statement for Customs Modernization Program Management Services	13
9	Task Statement for Customs Modernization Enterprise Engineering	14
10	Task Statement for ACE Requirements and Planning	13

**Section J1**

**Small Business/Small Disadvantaged Business  
Subcontracting Plan**

Revised 6/21/99

**DEPARTMENT OF THE TREASURY****SMALL, HUBZONE SMALL, SMALL DISADVANTAGED, AND WOMEN-OWNED  
BUSINESS SUBCONTRACTING PLAN OUTLINE**

*The following outline meets the minimum requirements of Public Law 95-507 and the Federal Acquisition Regulation (FAR) Subparts 19.7 and 20.3. It is intended to be a guideline. It is not intended to replace any existing corporate plan which is more extensive. If assistance is needed to locate small business sources, contact the Assistant Director for Small and Disadvantaged Business Utilization at (202) 622-4957. Please note that the Department of the Treasury has subcontracting goals of **34%** for small business, **1%** for HUBZone small business, **5%** for small disadvantaged business, and **5%** for women-owned business, for Fiscal Year 1999.*

Identification Data:

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Date Prepared: \_\_\_\_\_ Solicitation No.: \_\_\_\_\_  
Item/Service: \_\_\_\_\_  
Place of Performance: \_\_\_\_\_

1. TYPE OF PLAN. (Check only one)

- \_\_\_\_\_ INDIVIDUAL PLAN: In this type of plan all elements are developed specifically for this contract and are applicable for the full term of this contract.
- \_\_\_\_\_ MASTER PLAN: In this type of plan, goals are developed for this contract; all other elements are standard. The master plan must be approved annually. Once incorporated into a contract with specific goals, it is valid for the life of the contract.
- \_\_\_\_\_ COMMERCIAL PRODUCTS PLAN: This type of plan is used when the contractor sells large quantities of off-the-shelf commodities to many Government agencies. Plans/goals are negotiated with the initial agency on a company-wide basis rather than for individual contracts. The plan is effective only during the year approved. The contractor must provide a copy of the initial agency approval, **AND MUST SUBMIT AN ANNUAL SF 295 TO TREASURY WITH A BREAKOUT OF SUBCONTRACTING PRORATED FOR TREASURY.**

**2. GOALS.**

*FAR 19.704(a)(1) requires separate dollar and percentage goals for using small business concerns, HUBZone small business, small disadvantaged business, and women-owned business concerns as subcontractors for the base year and each option year.*

- A. Estimated dollar value of all planned subcontracting, i.e., to all types of business concerns under this contract is:

<u>BASE</u>	<u>1ST OPTION</u>	<u>2ND OPTION</u>	<u>3RD OPTION</u>	<u>4TH OPTION</u>
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

- B. Estimated dollar value\* and percentage of planned subcontracting to small business concerns is:

(\*This figure includes the amount in C, D and E below.)

<u>BASE</u>	<u>1ST OPTION</u>	<u>2ND OPTION</u>	<u>3RD OPTION</u>	<u>4TH OPTION</u>
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

- C. Estimated dollar value and percentage of planned subcontracting to small disadvantaged business concerns is:

<u>BASE</u>	<u>1ST OPTION</u>	<u>2ND OPTION</u>	<u>3RD OPTION</u>	<u>4TH OPTION</u>
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

- D. Estimated dollar value and percentage of planned subcontracting to small women-owned business concerns is:

<u>BASE</u>	<u>1ST OPTION</u>	<u>2ND OPTION</u>	<u>3RD OPTION</u>	<u>4TH OPTION</u>
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

- E. Estimated dollar value and percentage of planned subcontracting to HUBZone small business concerns is:

<u>BASE</u>	<u>1ST OPTION</u>	<u>2ND OPTION</u>	<u>3RD OPTION</u>	<u>4TH OPTION</u>
<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

\*\* NOTE: If any contract has more than four options, please attach additional sheets showing dollar amounts and percentages.



F. Products and/or services to be subcontracted under this contract, and the types of businesses supplying them, are: (Check all that apply)

[illegible]

(Attach additional sheets if necessary)

G. Explain the methods used to develop the subcontracting goals for small, HUBZone small, small disadvantaged, and small women-owned business concerns. Explain how the product and service areas to be subcontracted were established, how the areas to be subcontracted to small, HUBZone small, small disadvantaged and small women-owned businesses were determined, and how the capabilities of small, HUBZone small, small disadvantaged, and small women-owned businesses were determined. Identify all source lists used in the determination process.

[illegible]

- H. Indirect and overhead costs \_\_\_\_\_ HAVE BEEN  
\_\_\_\_\_ HAVE NOT BEEN  
included in the dollar and percentage subcontracting goals  
stated above (Check one).

- I. If indirect and overhead costs have been included, explain the method used  
to determine the proportionate share of such costs to be allocated as  
subcontracts to small, HUBZone small, small disadvantaged, and women-  
owned business concerns.

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### 3. PROGRAM ADMINISTRATOR.

*FAR 19.704(a)(2) requires information about the company employee who will  
administer the subcontracting program. Please provide the name, title, address, phone  
number, position within the corporate structure and the duties of that employee.*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Position: \_\_\_\_\_

Duties: Does the individual named above perform the following?

- A. Developing and promoting company/division policy statements that  
demonstrate the company's/division's support for awarding contracts and  
subcontracts to small, HUBZone small, small disadvantaged, and small  
women-owned business concerns  
\_\_\_\_\_ YES \_\_\_\_\_ NO

- B. Developing and maintaining bidders' lists of small, HUBZone small, small disadvantaged, and small women-owned business concerns from all possible sources  
\_\_\_\_ YES \_\_\_\_ NO
- C. Ensuring periodic rotation of potential subcontractors on bidders' lists  
\_\_\_\_ YES \_\_\_\_ NO
- D. Assuring that small, HUBZone small, small disadvantaged, and small women-owned businesses are included on the bidders' list for every subcontract solicitation for products and services they are capable of providing  
\_\_\_\_ YES \_\_\_\_ NO
- E. Ensuring that subcontract procurement "packages" are designed to permit the maximum possible participation of small, HUBZone small, small disadvantaged, and small women-owned businesses  
\_\_\_\_ YES \_\_\_\_ NO
- F. Reviewing subcontract solicitations to remove statements, clauses, etc., which might tend to restrict or prohibit small, HUBZone small, small disadvantaged, and small women-owned business participation  
\_\_\_\_ YES \_\_\_\_ NO
- G. Ensuring that the subcontract bid proposal review board documents its reasons for not selecting any low bids submitted by small, HUBZone small, small disadvantaged, and small women-owned business concerns  
\_\_\_\_ YES \_\_\_\_ NO
- H. Overseeing the establishment and maintenance of contract and subcontract award records  
\_\_\_\_ YES \_\_\_\_ NO
- I. Attending or arranging for the attendance of company counselors at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs, etc.  
\_\_\_\_ YES \_\_\_\_ NO
- J. Directly or indirectly counseling small, HUBZone small, small disadvantaged, and small women-owned business concerns on subcontracting opportunities and how to prepare responsive bids to the company  
\_\_\_\_ YES \_\_\_\_ NO

- K. Providing notice to subcontractors concerning penalties for misrepresentations of business status as small, HUBZone small, small disadvantaged, or small women-owned business for the purpose of obtaining a subcontract that is to be included as part or all of a goal contained in the contractor's subcontracting plan  
\_\_\_\_ YES \_\_\_\_ NO
- L. Conducting or arranging training for purchasing personnel regarding the intent and impact of Public Law 95-907 on purchasing procedures  
\_\_\_\_ YES \_\_\_\_ NO
- M. Developing and maintaining an incentive program for buyers which supports the subcontracting program  
\_\_\_\_ YES \_\_\_\_ NO
- N. Monitoring the company's performance and making any adjustments necessary to achieve the subcontract plan goals  
\_\_\_\_ YES \_\_\_\_ NO
- O. Preparing and submitting timely reports  
\_\_\_\_ YES \_\_\_\_ NO
- P. Coordinating the company's activities during compliance reviews by Federal agencies  
\_\_\_\_ YES \_\_\_\_ NO

#### 4. EQUITABLE OPPORTUNITY.

*FAR 19.704(a)(3) requires a description of the efforts your company will make to ensure that small, HUBZone small, small disadvantaged, and women-owned business concerns will have an equitable opportunity to compete for subcontracts (Check all that apply).*

A. Outreach efforts to obtain sources:

- \_\_\_\_ Contacting minority and small business trade associations  
\_\_\_\_ Contacting business development organizations  
\_\_\_\_ Attending small and minority business procurement conferences and trade fairs  
\_\_\_\_ Requesting sources from the Small Business Administration's PRONET

B. Internal efforts to guide and encourage purchasing personnel:

- \_\_\_\_\_ Presenting workshops, seminars and training programs;
- \_\_\_\_\_ Establishing, maintaining and using small, HUBZone small, small disadvantaged, and women-owned business source lists, guides and other data for soliciting subcontracts;
- \_\_\_\_\_ Monitoring activities to evaluate compliance with the subcontracting plan.

C. Additional efforts: (Please describe.)

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5. CLAUSE INCLUSION AND FLOW DOWN.

*FAR 19.704(a)(4) requires that your company include FAR 52.219-8, "Utilization of Small Business Concerns and Small Disadvantaged Business Concerns," in all subcontracts that offer further subcontracting opportunities. Your company must require all subcontractors, except for small business concerns, that receive subcontracts in excess of \$500,000 (\$1,000,000 for construction) to adopt and comply with a plan similar to the plan required by FAR 52.219-9, "Small Business and Small Disadvantaged Business Subcontracting Plan."*

Your company agrees that the clause will be included and that the plans will be reviewed against the minimum requirements for such plans. The acceptability of percentage goals for small, HUBZone small, small disadvantaged, and small women-owned business concerns must be determined on a case-by-case basis depending on the supplies and services involved, the availability of potential small, HUBZone small, small disadvantaged, and small women-owned subcontractors and prior experience. Once the plans are negotiated, approved, and implemented, the plans must be monitored through the submission of periodic reports, including SF (Standard Form) 294 and SF 295 reports.

## 6. REPORTING AND COOPERATION.

*FAR 19.704(A)(5) requires that your company (1) cooperate in any studies or surveys as may be required, (2) submit periodic reports which show compliance with the subcontracting plan; (3) submit SF 294, "Subcontracting Reports for Individual Contracts," and SF 295, "Summary Subcontract Report," in accordance with the instructions on the forms; and (4) ensure that subcontractors agree to submit SF 294's and SF 295's.*

Both the Department and the respective Treasury bureau must receive the report(s) within 30 days after the close of each calendar period as follows:

<u>Calendar Period</u>	<u>Report Due</u>	<u>Date Due</u>	<u>Send Report To:</u>
10/01 - 03/31	SF 294	04/30	Bureau contracting officer
04/01 - 09/30	SF 294	10/30	Bureau contracting officer
10/01 - 09/30	SF 295	10/30	Assistant Director, SDBU*, with copy to bureau contracting officer

\* SDBU address is: Department of the Treasury, Office of Procurement (MMMK), Assistant Director for Small and Disadvantaged Business Utilization, 1310 G St., N.W., Suite 400, Washington, DC 20220

## 7. RECORDKEEPING.

*FAR 19.704(a)(6) requires a list of the types of records your company will maintain to demonstrate the procedures adopted to comply with the requirements and goals in the subcontracting plan. Check all that apply.*

- \_\_\_\_\_ A. Small, HUBZone small, small disadvantaged, and women-owned business concern source lists, guides and other data identifying such vendors.
- \_\_\_\_\_ B. Organizations contacted for small, HUBZone small, small disadvantaged, and women-owned business sources.

- \_\_\_\_\_ C. On a contract-by-contract basis, records on all subcontract solicitations over \$100,000 which indicate for each solicitation (1) whether small business concerns were solicited and, if not, why not; (2) whether HUBZone small business concerns were solicited and, if not, why not; (3) whether small disadvantaged business concerns were solicited and, if not, why not; (4) whether women-owned business concerns were solicited and, if not, why not; and (5) reasons for the failure of solicited small, HUBZone small, small disadvantaged, or women-owned business concerns to receive the subcontract award.
- \_\_\_\_\_ D. Records to support other outreach efforts, e.g., contacts with minority and small business trade associations, attendance at small and minority business procurement conference and trade fairs.
- \_\_\_\_\_ E. Records to support internal activities to (1) guide and encourage purchasing personnel, e.g., workshops, seminars, training programs, incentive awards; and (2) monitor activities to evaluate compliance.
- \_\_\_\_\_ F. On a contract-by-contract basis, records to support subcontract award data including the name, address and business size and ownership status (SDB, WOB, etc.) of each subcontractor. This item is not required for company or division-wide commercial products plans.
- \_\_\_\_\_ G. Other records to support your compliance with the subcontracting plan: (Please describe.)

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#### 8. TIMELY PAYMENTS TO SUBCONTRACTORS.

*FAR 19.702 requires your company to establish and use procedures to ensure the timely payment of amounts due pursuant to the terms of your subcontracts with small, HUBZone small, small disadvantaged, and women-owned business concerns.*

Your company has established and uses such procedures.

\_\_\_\_\_ YES \_\_\_\_\_ NO

## 9. DESCRIPTION OF GOOD FAITH EFFORT.

*Maximum practicable utilization of small, HUBZone small, small disadvantaged, and women-owned business concerns as subcontractors in Government contracts is a matter of national interest with both social and economic benefits. When a contractor fails to make a good faith effort to comply with a subcontracting plan, these objectives are not achieved, and 15 U.S.C. 637(d)(4)(F) directs that liquidated damages shall be paid by the contractor.*

In order to demonstrate your compliance with a good faith effort to achieve the small, HUBZone small, small disadvantaged, and women-owned business subcontracting goals, outline the steps your company plans to take. These steps will be negotiated with the contracting officer prior to approval of the plan.

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## 10. SIGNATURES REQUIRED.

This subcontracting plan was SUBMITTED by:

Signature:

Typed Name:

Title:

Date:

This subcontracting plan was REVIEWED by:

Signature:

Typed Name:

Title: Small Business Specialist

Date:



This subcontracting plan was REVIEWED by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: Small Business Administration Representative

Date: \_\_\_\_\_

This subcontracting plan was APPROVED by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: Asst. Dir. for Small Disadvantaged Business Utilization

Date: \_\_\_\_\_

This subcontracting plan was ACCEPTED by:

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: Contracting Officer

Date: \_\_\_\_\_

**Section J2****Experience and Past Performance Information and Evaluation Form**

To Be Supplied.

**Section J3****Resume Format for Key Personnel**

To Be Supplied.

## Section J4

# Web Site Documents

The following is a list of documents provided by Customs to the Offerors via the Customs web site. Offerors can find this web site at [www.customs.gov](http://www.customs.gov). These documents are provided as information only to the Offerors and do not form a part of this contract. This web site will serve as the only Bidders Library for this solicitation. There will not be a physical Bidders Library. The list below places documents into three categories. The first category, General Documents, contains a list of documents that may be of general value to the Offerors. The second category, Technical Documents, contains a list of documents that may assist the Offerors in formulating their technical proposals. The final category, Management Documents, contains a list of documents that may assist the Offerors in formulating their management proposals.

### **General Documents and Information**

- **United States Customs Service (USCS) Web Site:**  
<http://www.customs.gov/>
- **Customs Acronym List.** This document contains standard acronyms used throughout Customs. This acronym list will contain acronyms not used in this solicitation.
- **Importing Into the United States, A Guide for Commercial Importers, United States Customs Service publication #504, Revised November 1998.** This publication provides an overview of the importing process and contains general information about import requirements. It also describes the Customs organization and its mission. Instructions for ordering a copy of this publication are available in the Customs web site, and an HTML version is available at the following URL:  
<http://www.customs.treas.gov/imp-exp2/pubform/import/index.htm>
- **The Customs Modernization Act (the “Mod Act”) (Title VI of the North American Free Trade Agreement Implementation Act [P.L. 103-182, 107 Stat. 2057], effective December 8, 1993).** This legislation is the primary business driver and legal foundation for Customs Modernization efforts. It

mandates business improvements grounded in the concepts of informed compliance, shared responsibility, and reasonable care.

- **Informed Compliance Strategy, Memorandum for the Trade Community Members from the Commissioner of the United States Customs Service, Dept. of the Treasury.** This memorandum describes for the trade and Customs officers the strategy and process involved in maximizing trade compliance through an informed compliance program that supports and promotes the use of reasonable care by all who do business with Customs.

<http://www.customs.treas.gov/imp-exp1/comply/ma-incmp.htm>

- **U.S. Customs Service Accountability Report, Fiscal Year 1998.** This report meets the requirements for various U.S. government financial reporting requirements such as the Government Performance and Results Act of 1993 and the Chief Financial Officers Act of 1990. It focuses on Customs mission accomplishments and presents financial management information. This document is a useful source of high-level information regarding Customs' mission and workforce. This document may be downloaded or viewed at the following URL:

<http://www.customs.treas.gov/imp-exp2/pubform/ar1998.htm>

- **Customs Network Standards and Naming Conventions.** Description TBD

#### **Technical Documents**

- **Customs Systems and Infrastructure Overview, October 1999.** This document provides a high level overview of the Customs information technology systems. It describes most of the current systems, the current infrastructure, and the initiatives, prototypes, and systems under development.

#### **ACE Documents**

- **ACE Strategic Information Management Plan, December 1994.** This document, the initial deliverable of the Customs ACE development team, established the background and charter for the ACE project. It includes the basic requirements for ACE and a conceptual view of the envisioned system; however, Offerors are not required to adhere to the sections describing project approach, architecture, and implementation and transition.

- **Trade Compliance Road Map, January 1998.** This document was developed as a reference for Customs employees to explain the core themes and key initiatives of the Trade Compliance Redesign, to inform them of the direction of the trade compliance process, to prepare them for the future work environment, and to establish roles and responsibilities.
- **ACE Business Plan, July 16, 1999.** This document is intended to be a living document that provides a baseline of information on the ACE program. It includes descriptions of information reflected in the RFP, such as business drivers and anticipated benefits of trade compliance modernization; however, Offerors are not required to adhere to the sections describing technical approach, implementation and deployment.
- **ACE Cost-Benefit Analysis, Version 1.1, July 28, 1999.** This document provides a cost-benefit analysis demonstrating the financial viability of going forward with the development of ACE. Please note that this document is out-of-date in that it assumed a Government furnished Contractor development site being provided in the Washington Metropolitan area.
- **ACE User Requirements Document, October 1995.** This document captures the results of an initial Business Process Reengineering (BPR) effort for ACE. It contains detailed narratives, process area descriptions, and descriptions of key data including entity-relationship (ER) diagrams. The structure and names of process areas evolved in later BPR efforts.
- **Business Process Reengineering Support for ACE Development Team: Process Flow Documentation, October 1996** (*and supporting comments, results of requirements tiger team from MITRE*). These process flows describe the redesigned trade compliance process down to the task level. In preparation for the Customs Modernization RFP, MITRE and Customs conducted a requirement tiger team to validate the process flows down to level 3 and collected supplemental information such as key data, roles, and frequency.
- **JFMIP Core Financial System Requirements, JFMIP-SR-99-4, February 1999.** This document describes the mandatory requirements, which must be satisfied by any software prior to it being qualified for use by Federal agencies. These requirements form the basis for the Federal government to test compliance of commercially based, core financial software, including financial management software supporting Customs Revenue and Finance business processes. Additional information is available at the URL:

<http://www.financenet.gov/fed/jfmip/pmo.htm>.

- **U.S. Customs Service, Trade Compliance Risk Management Process, March 1999.** The Office of Strategic Trade (OST) process produced this brochure to describe and promote the concept of an overall risk management process. This is the process through which risk areas for trade compliance are identified and prioritized in order to maximize the effectiveness of the workforce.

#### **International Trade Data System documents**

The original scope and plan for implementing the ITDS, a single system for international trade information, is described in the collection of documents available at the referenced URL. The Customs Modernization project is now responsible for implementing the ITDS functions.

<http://www.itds.treas.gov/>

- **ITDS Design Report.** The Design Report is a collection of all ITDS Design documents that includes a project summary, a list of reference documents, and the following three volumes: ITDS Architecture; Technical Reference Model and Standards Profile; and Implementation and Maintenance.

#### **Treasury and Customs Architecture Documents**

- **Treasury Information System Architecture Framework, v1.0, January 1997.** The TISAF provides guidance to the Department of the Treasury bureaus concerning the development and evolution of information system architectures to meet the needs of business operations. The TISAF is available in Microsoft Word and Adobe Portable Document Format (PDF) at the following URL:

<http://www.ustreas.gov/tisaf>

- **Customs Enterprise Architecture.** The Enterprise Architecture (formerly known as the Enterprise Information Systems Architecture or EISA) documents the Customs Architecture's Work, Functional, Information, and Infrastructure views. The architecture consists of a collection of documentation including a Blueprint, Developer's Guidance, and a Repository. The Repository is a tool based upon a Microsoft Access database.
- **Investment Management Process System Description, version 1.0, September 30, 1999 (Draft).** The Investment Management Process is a structured, integrated approach to managing Information Technology investments. This approach relies on a systematic selection, control, and

on-going evaluation process to ensure the investment's objectives are met efficiently and effectively. The current draft of this document describes the select phase of the IMP. The control and evaluation phases are currently being documented. This draft is a first draft only and is still being commented on.

### **Current Systems Documents**

- **Automated Commercial System web site.** This web site contains information that describes ACS; the current automated information system for the trade compliance process.  
<http://www.customs.treas.gov/imp-exp2/auto-sys/acs.htm>
- **An Assessment of the Automated Commercial System, Gartner Consulting, January 1998.** This document provides an independent assessment of the state of the Automated Commercial System and provides a recommended course of action.
- **Trade Compliance Tools, Automated Tools and Other Resources, A Resource Guide for Measuring and Improving Compliance, Version 2.0, USCS/OST, July 1999.** This document includes information on automated tools for managing risk in the trade compliance process, Trade Compliance Programs, and the Risk Management process. It contains a list of available reports, user manuals, and Standard Operating Procedures. Information regarding ACS is not included in this document.

### **Management Documents**

- **Governance Framework for U.S. Customs Service Modernization, To Be Supplied.** One of the initial objectives for Customs Modernization is to establish a clear working Governance and management process for Modernization. This Governance structure provides a framework for defining the required activities and responsibilities of entities involved in Modernization from the office of the Commissioner to those employees and contractors supporting specific projects. This document is under review and will be placed on the web at a later date.
- **Customs Modernization Office Program Management Plan.** This document is still under development.
- **Executive Steering Committee Charter.** This document is still under development.



- **Investment Review Board Charter.** This charter is being updated to reflect the updated process, which was incorporated in January 1999. The Investment Review Board is chartered to implement the Customs investment management process that drives budget formulation and execution for information investments. Specifically the group:
  - Develops and implements policies and procedures to systematically maximize return and minimize the risks of investment in IT;
  - Provides senior management oversight, approval, and commitment to all significant IT investments; and,
  - Approves and supports IT investments which promote the overall Customs mission, are consistent with and support the implementation of the Customs Strategic Plan, and meet the budget requirements of the Agency.
- **Enterprise Process Improvement Strategic Action Plan, Version 0.3, 27 August 1999.** This Strategic Action Plan reflects executive management approval and direction for all Enterprise Process Improvement activities in Customs under the direction of the Chief Information Officer. These activities constitute the Enterprise Process Improvement Program.
- **Management Steering Group Charter, 27 August 1999.** The EPIP Management Steering Group (MSG), within the Customs environment, is established to guide systems and software process improvement in the Customs Office of Information and Technology. This document defines the charter for this group.
- **Systems Engineering Process Group Charter, 17 August 1999.** The Software Engineering Process Group (SEPG) will be the focal point for Systems Process Improvement (SPI) and will work with managers and engineers to improve the process capability of OIT. The SPI effort will define, introduce, monitor and continuously improve an integrated software process, which is measurable and repeatable. The SEPG will act as the change agent for SPI within OIT. This document defines the charter for this group.

## Section J5

# Customs Organization

This attachment provides the Contractor an overview of the Customs and Office of Information and Technology organization structures. It is being provided for informational purposes only. These organizational structures may change in the future.

### J.5.1 Customs Organizational Structure

Customs overall organizational structure is shown on the following page, in Figure J.5-1. The key structural elements of the Customs organization, shown in this figure, are:

- **Office of the Commissioner** - responsible for the overall management and direction of the U.S. Customs Service. The Commissioner of Customs is authorized to promulgate rules and regulations and prescribe internal instructions for the guidance of Customs officers that are consistent with regulations issued, and the authority delegated, by the Treasury Department.
- **Office of Planning** - responsible for supporting strategic and tactical planning, performance measurement, statistical analysis, the organizational change process, liaison with external audit groups, and the cultural change process. It provides the statistical and survey research methodologies needed to: develop institutionalized measurements of Customs compliance, and to develop better measures of Customs performance, utilizing customer and employee surveys. The Office serves as Customs' central coordinating point for matters related to the Government Performance and Results Act (GPRA) and the National Performance Review.
- **Office of Field Operations** - responsible for managing and establishing the policies, procedures and systems related to the processing of carriers, cargo/merchandise, and persons entering and departing the U.S. at ports of entry. Specifically, these responsibilities include assessing and collecting duties, detecting and intercepting contraband, including drugs, insuring that importations meet the requirements for legal entry, properly classifying merchandise, and verifying import statistics. These activities are directed through its management of the ports of entry, Customs Management Centers, field laboratories and Canine Enforcement Program and the Trade Compliance (imports/cargo), Passenger, and Outbound (exports) processes. The Office is responsible for implementing the Merchandise Compliance Measurement Program and for managing the Passenger Compliance

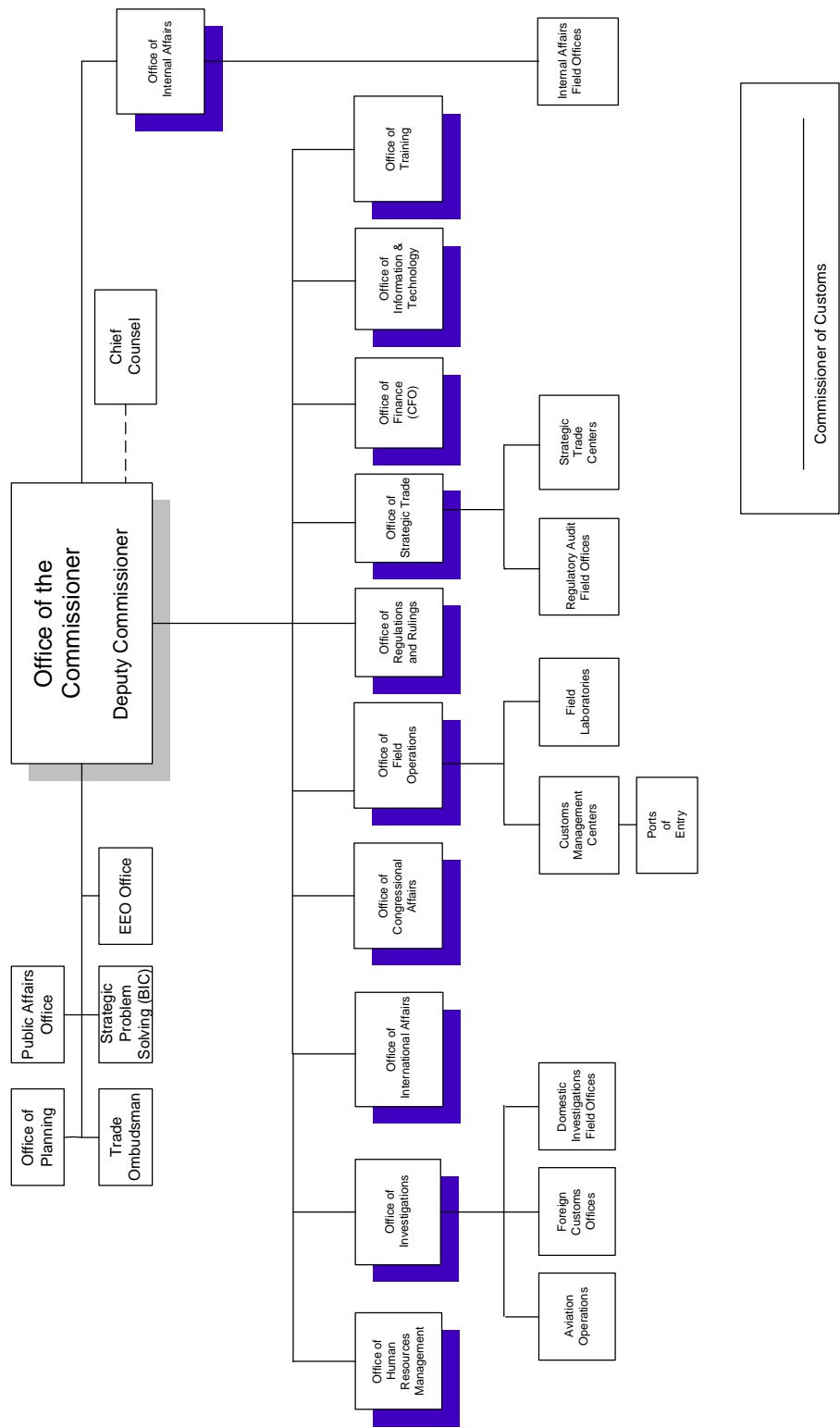


Figure J.5-1 U.S. Customs Service

Program. In coordination with the Office of Investigations, this office is responsible for Customs Anti-Smuggling drug interdiction program. This office is the primary liaison with the International trade and travel communities and other federal agencies for implementing trade programs, passenger initiatives, and export requirements.

- **Office of Investigations** - responsible for the investigations and intelligence sub-processes, oversight of the foreign and domestic investigative offices, and the air and marine interdiction programs. This Office works in close coordination with other organizational elements involved in the Customs law enforcement mission to manage and control operational programs involving investigations, tactical interdiction, intelligence and enforcement support Service wide. It coordinates with and supports the Department of the Treasury Financial Crimes Enforcement Network (FINCEN), the Department of Justice Organized Crime and Drug Enforcement Task Force (OCDEFT) and High Intensity Drug Trafficking Area (HIDTA) programs.
- **Office of Strategic Trade** - responsible for identifying and confronting major trade issues facing the United States by innovative research and analysis and by the creation of an array of coordinated interventions. This Office is also responsible for developing the strategies to assess the level of trade compliance, for publishing Customs compliance data to enable the trade to initiate their own efforts to achieve compliance, and for providing leadership for developing and implementing an integrated trade enforcement program. The Office exercises line authority over the Regulatory Audit function and the Strategic Trade Centers and utilizes the analytical resources resident in the Strategic Trade Centers to address major trade issues, such as transshipment and intellectual property rights, which cannot be effectively addressed through transaction reviews at the ports. Finally, the Office has shared responsibility for developing effective methods of communication and cooperation with other U.S. agencies involved in trade and with U.S. businesses.
- **Office of Regulations and Rulings** - responsible for the development, implementation, and evaluation of Service wide programs, policies, and procedures pertaining to regulations and rulings issued by and affecting the Customs Service. This office has a major responsibility for providing informed compliance information to members of the trade community. It provides policy and technical support to Customs, the Department of the Treasury, the Congress, other Government agencies, and the importing public concerning the application of Customs and other laws, regulations, and procedures administered by Customs. The Office monitors Customs legal decisions, programs, and procedures and issues decisions on matters related

to claims (including claims for liquidated damages), fines, penalties, and forfeitures. It also issues rulings, legal determinations, and guidelines relating to classification and value of merchandise, carriers, drawback and bonds, entry, licensing, intellectual property rights, restricted merchandise and disclosure law rulings.

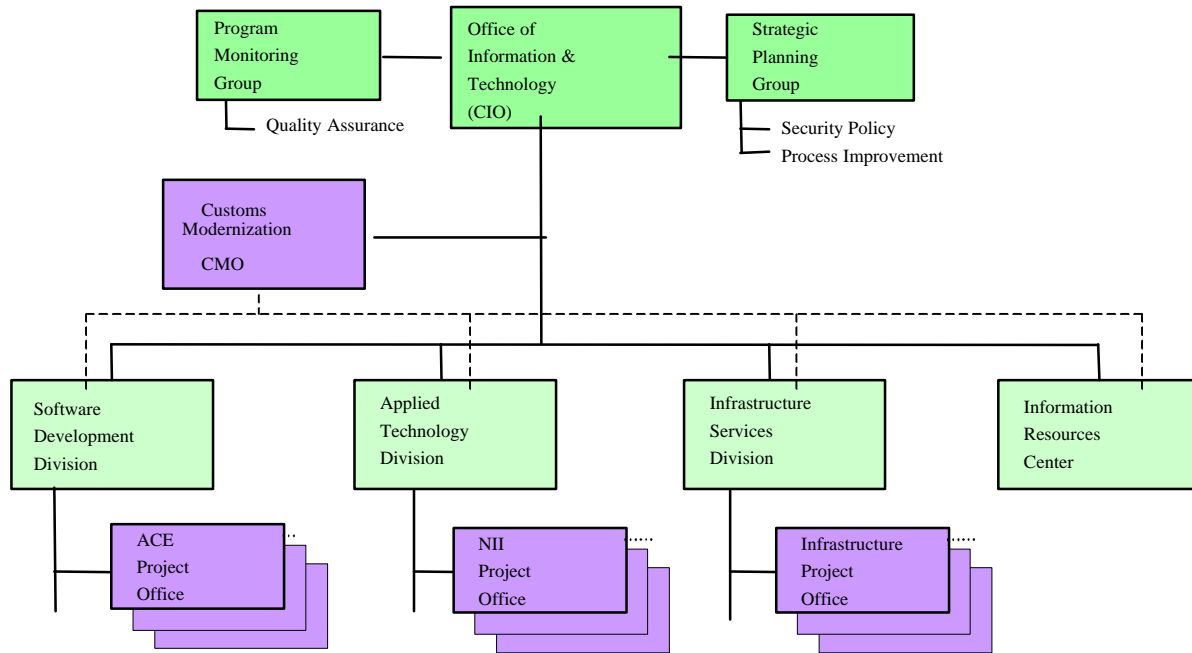
- **Office of International Affairs** - responsible for managing international activities and programs and for the conduct of Customs bilateral and multi-lateral relations with other countries. This office oversees the negotiation and implementation of all international agreements and is responsible for all foreign training assistance provided by the Customs, except that which is provided by the Foreign Attaché's within the Office of Investigations.
- **Office of Internal Affairs** - responsible for ensuring compliance with all Service wide programs and policies relating to security activities and for executing the internal security, integrity, and management inspections programs.
- **Office of Congressional Affairs** - responsible for advising Customs managers on legislative and Congressional matters; and for assisting members of Congress and their staffs in understanding current and proposed Customs programs.
- **Office of Public Affairs** - responsible for supervising the national and international public communication process through its staff in the following areas: press, internet, audiovisual, editorial and speechwriting services, and public information.
- **Office of Finance** - responsible for administering the broad range of financial management activities delineated under the Chief Financial Officers Act of 1990, including accounting, budgeting, procurement, logistics, financial systems, policy, and quality assurance. This Office, headed by the Chief Financial Officer, is responsible for the preparation of an annual financial report to the Department of the Treasury, which includes the status of financial management in Customs, and annual audited financial statements pursuant to the CFO Act.
- **Office of Human Resources Management** - responsible for human resources planning in support of the business process improvement efforts, personnel services, training, labor management relations, and worker safety. This office plays a leading role in working with NTEU in the development of strategies to implement the partnership agreement signed on June 13, 1994. The office also works closely with the Special Assistant to the Commissioner

for Equal Employment Opportunity (EEO) in integrating EEO goals into Customs human resources policies.

- **Office of Information and Technology** - responsible for implementation and support of information technology, research and development functions, and automation and technological strategies for meeting mission-related needs. Specifically, this Office, headed by the CIO, is responsible for Customs automated information systems and management of the research and development functions of Customs. It manages all Customs computer and related resources including all operational aspects of Customs Computer Security Program; establishing requirements for computer interfaces between Customs and various trade groups and government agencies; and on matters related to automated import processing and systems development.

### **J.5.2 Office of Information and Technology Organizational Structure**

The Office of Information and Technology's overall organizational structure is shown on the following page, in Figure J.5-2. OIT is responsible for supporting business processes with the design, requirements definition, development, programming, testing, implementation, integration, training, and maintenance of Customs automated systems. This Office is responsible for management of all Customs computer facilities and systems including the hardware, software, data, video and voice communications, and related financial resources. It is responsible for identifying and evaluating new technologies for application in support of Customs business processes. The Office develops and maintains the Enterprise Information System Architecture (EISA) and administers the operational aspects of the Customs Computer Security Program. It establishes requirements for computer-to-computer interfaces between Customs and various trade groups and government agencies. The Office represents Customs on matters related to automated import, export, and interagency processing and systems development. The Office provides centralized research, development, test, evaluation, acquisition, training, and maintenance services in support of enforcement and inspection technology for Customs process owners and core strategies. It ensures the coordination of applied technology programs with other domestic and international law enforcement agencies and represents Customs on matters related to applied technology development. The Office provides direct technology assistance in support of operational field activities. It directly supports the Customs CIO functions and is responsible for management, budget, and planning reviews impacting information technology.



**Figure J.5-2 Office of Information and Technology Organization Chart**

- Program Monitoring Group** - responsible for assisting the CIO and the Division Directors with oversight of the Office resource management and program monitoring. This Group coordinates closely and maintains daily contact with Divisions and the Strategic Planning Group to ensure implementation of the Office's strategic plans and goals. The Group develops and coordinates office policy and provides office wide guidance, advice, and analytical support.
- Strategic Planning Group** - responsible for strategic planning, evaluation, and development of the logical and technical EISA. This Group coordinates closely and maintains daily contact with project teams and the Program Monitoring Group to develop the Office's strategic plans, goals, and measures, and develops and coordinates technology and process standards, strategic goals and measures.

- **Customs Modernization Office** - responsible for providing management guidance as well as enforcement of standards and policies associated with modernization efforts. In addition, the CMO serves as a principal point of contact to oversight Boards and Committees within and outside of Customs for modernization efforts. The CMO acts as the COTR. The CMO is also responsible for ensuring that the Modernization Contractor is working to the goals and objectives of the contract and within the constraints imposed by time and funding.
- **Software Development Division (SDD)** - responsible for the in-house design, development, maintenance, and marketing of Customs systems. In conjunction with other OIT personnel, this division is responsible for coordinating and communicating OIT support with all process owners and implementation support for trade compliance for both field locations and the trade community. SDD oversees Customs software applications development, configuration management, and training. It implements Investment Review Board decisions and priorities, and serves as a mediator, liaison, and facilitator to make resource decisions and determine priorities for Customs legacy software development projects, and works in conjunction with the CMO to do the same for modernization software development projects. Specifically, the Division:
  - Evaluates proposed system modifications based on legislative mandates, law changes, budgetary restrictions, audit recommendations, and other documented priorities
  - Analyzes and refines requirements
  - Designs new or upgraded components
  - Programs, enhances, and maintains systems
  - Conducts unit integration testing of programs and works closely with the Infrastructure Services Division for acceptance testing into the production environment
  - Supports configuration management of system changes
  - Centrally manages and implements the SDLC and CMM processes and required documentation
  - Coordinates with various internal and external groups concerning development efforts and problem resolution
  - Coordinates with the Infrastructure Services Division and users concerning deployment schedules for upgrades and enhancements



The functions of this Division are supported by the **Business Interface Representatives** who are responsible for: maintaining the strategic communication link optimizing information technology to the business process; managing the long-term relationship between OIT and the Process owners; and serving as the single point of contact for Process Owners. The Business Interface Representatives also coordinate and facilitate communication between OIT and Process owners to: assess user requirements and integration of systems applications across the enterprise to meet business needs; facilitate planning (initiate new projects from concept through implementation/deployment and evaluation (i.e., IMP stages)); enhance process owners' understanding of new and current technology; address operational and network interfaces for new and current technology (i.e., systems, database, network and communications); coordinate applied technology and information systems; and educate OIT personnel concerning the business needs.

- **Applied Technology Division (ATD)** - responsible for supporting all elements of the Customs enforcement and facilitation processes through the identification of operational requirements and, when applicable, the development, acquisition, testing, and maintenance of new technology. ATD advises Customs executive management on enforcement and inspection technology and represents Customs on these issues with other domestic and foreign agencies, Congress, the media, industry, and academia.
- **Infrastructure Services Division (ISD)** - responsible for implementation and support of the Customs information infrastructure, including engineering and operation of all platforms, management of the Customs network and communications (data, video, and voice) functions, data base administration for all platforms, and desktop support for all users of Customs automated systems. ISD is also responsible for acceptance testing of all applications, systems software, and releases into the production environment, ensuring the security of the infrastructure, establishing security policy, and providing security management services across the enterprise.
- **Information Resource Center** - serves as a resource and information center in those subject fields pertinent to the Customs mission. The Center provides information and resources utilizing both traditional and on-line bibliographic, numeric, and full-text data based services including the provision of current awareness and retrospective literature searches as needed. It advises and refers users to information systems and services that may be pertinent to their research requirements in support of Customs programs. The Center utilizes on-line information retrieval systems in the economic, legal, scientific,

and technical areas to achieve efficient and cost-effective research capabilities. It assists users in identifying and utilizing library resources and services, and it maintains information materials provided by the Freedom of Information Act (FOIA). It acquires, organizes, controls, maintains, and updates resource materials to meet Customs research needs including books, technical reports, government documents, serials, and microforms and support. The Center also provides interlibrary loan services through cooperative network agreements.

**Section J6****List of Legislation**

This section contains a partial listing of current Federal, Treasury, and Customs legislation applicable to Customs. Additional references may be found in the SDLC and in other sources.

**J.6.1 Federal**

- Chief Financial Officers Act
- Clinger-Cohen Act of 1996
- Government Performance and Results Act (GPRA)
- General Agreement on Tariffs and Trade (GATT)
- National Performance Review (NPR) Initiative IT-06 & PROC14
- Federal Acquisition Streamlining Act of 1994
- Paperwork Reduction Act (PRA) Paperwork Reduction Act of 1995
- OMB memorandum M97-02, "Funding Information Systems Investments", 25 October 1996 (Raines Rules)
- Joint Financial Management Improvement Program (JFMIP)
- Federal Accounting Standards Advisory Board
- Currency and Foreign Transactions Reporting Act
- Privacy Act of 1974
- Freedom of Information Act
- OMB Circular A-11
- OMB Circular A-130 Management of Federal Information Resources
- OMB Memorandum M-97-16, "Information Technology Architectures", 18 June 1997
- OMB Circular A-123 - Management Accountability and Control
- OMB Circular A-127 – Financial Management Systems

**J.6.2 Department of Treasury**

A large number of Treasury Directives and Publications apply to the Customs Modernization Program. A sampling of these are:

- Directive TD 25-04, Implementation of the Privacy Act of 1974, as Amended
- Directive TD 32-01, Accounting Principles and Standards, 23 December 1992
- Directive TD 32-02, Approval of Financial Management Systems, 27 August 1992
- Directive TD 81-01, Management of Departmental Information Systems, 25 July 1991
- Publication TD P 84-01, Information System Life Cycle Manual

**J.6.3 Customs**

- Customs Modernization and Informed Compliance Act (Title VI of the North American Free Trade Agreement Implementation Act (NAFTA) December 1993; Pub L. 103-182, 187 Stat. 2057):
- 19 USC
- 19 CFR

## Section J7

# List of Standards

This section contains a partial listing of current national and international, Federal, Treasury, and Customs standards applicable to Customs. Industry best practices (e.g., life cycles, object-oriented technology, joint application development, risk management) and additional references can be found in the Customs SDLC and in other sources.

### J.7.1 CMM and IEEE Standards

- In addition to the Customs standards, Customs is embracing the Capability Maturity Model framework and the Institute of Electrical and Electronic Engineers' (IEEE) standards, which the Contractor shall apply to all work completed under this contract.
- The CMM is a model or framework to produce quality systems and software in a controlled and repeatable manner. It is based on best practices in both government and private industry. The CMM was developed by the Software Engineering Institute, which was formed in 1985 by Carnegie Mellon University. SEI has developed a number of models for different aspects of system development. As noted in Section C.6.3 of the RFP, the models include the original Software CMM, the Systems Engineering CMM, the Security CMM, the People CMM, and the Software Acquisition CMM.
- IEEE standards (e.g., for Risk Management) and ISO (International Standards Organization) standards apply where useful/necessary as best practices if they are not already incorporated. The new IEEE/EIA 12207 and to-be-developed standard in the 15000 series are also pertinent to our work; earlier versions of these standards were part of what was researched and included in the SDLC.

### J.7.2 National and International Standards

- ANSI X3.102                      Digital Communications Performance Parameters
- ANSI X3T9.5                      FDDI specification
- ANSI X9 series                      Security
- ANSI X12 series                      Electronic Data Interchange
- CCITT H.221                      Frame Structure for 64 to 1,920 kbit/s Channel in Audiovisual Teleservices

- CCITT H.230                      Frame-Synchronous Control and Indication Signal for Audiovisual Systems
- CCITT H.233                      Encryption
- CCITT H.242                      System for Establishing Communication Between Audiovisual Terminals Using Digital Channels up to 2 Mbit/s
- CCITT H.320                      Narrowband Visual Telephone Systems and Terminal Equipment
- CCITT Q-series                      SS7
- CCITT V. series                      Those standards in the series applicable to modems
- CCITT X.28                      DTE/DCE interface for asynchronous DTE access to PAD facility
- CCITT X.29                      Procedure for exchange of control information and user data between packet mode DTE and a PAD facility
- CCITT X.25                      DTE/DCE interface for terminals
- CCITT X.75                      Internetwork communications
- CCITT X.121                      International numbering scheme for multi-network communications
- CCITT X.400 series                      Message Handling Service
- CCITT X.500 series                      Directory Services
- EIA RS series                      Those standards in the series applicable to modems
- IEEE 802.x series                      Local Area Network
- ISO Standard 15408                      Common Criteria for Information Technology Evaluation

### **J.7.3 Federal**

Federal Information Processing Standards and Federal Telecommunications Standards (FED-STDs) – There is a large list of FIPS and FED standards that apply to this modernization program. These standards can be found at the following web site:

<http://www.it/nist.gov/fipspubs>

The list below is provided as a reference, but should not be considered all inclusive:

- FIPS PUB 16-1 Bit Sequencing of the American National Standard Code for Information Interchange in Serial-by-Bit Data Transmission (FED-STD-1010)
- FIPS PUB 17-1 Character Structure and Character Parity Sense for Serial-by-Bit Data Communication in the American National Standard Code for Information Interchange (FED-STD 1011)
- FIPS PUB 22-1 Synchronous Signaling Rates Between Data Terminal Equipment and Data Circuit-Terminating Equipment Utilizing 4 kHz Circuits (FED-STD 1013)
- FIPS PUB 31 Guidelines for Automatic Data Processing Physical Security and Risk Management
- FIPS PUB 39 Glossary of Computer Systems Security
- FIPS PUB 41 Computer Security Guidelines for Implementing the Privacy Act of 1974
- FIPS PUB 46-2 Data Encryption Standard (DES)
- FIPS PUB 48 Guidelines on Evaluation Techniques for Automated Personal Identification
- FIPS PUB 65 Guidelines for Automatic Data Processing Risk Analysis
- FIPS PUB 73 Guidelines for Security for Computer Applications
- FIPS PUB 81 Data Encryption Standard (DES) Mode of Operation
- FIPS PUB 83 Guideline on User Authentication Techniques for Computer Access Control
- FIPS PUB 100-1 Interface Between Data Terminal Equipment and Data Circuit-Terminating Equipment for Operation with Packet Switched Data Telecommunications Networks
- FIPS PUB 112 Password usage
- FIPS PUB 113 Computer Data Authentication
- FIPS PUB 127-1 Database Language SQL
- FIPS PUB 135 Coding and Modulation Requirements for Duplex 9600 Bit/Second Modems (FED-STD 1007)

- FIPS PUB 138      Electrical Characteristics of Balanced Voltage Digital Interface Circuits (FED-STD 1020A)
- FIPS PUB 139      Interoperability and Security Requirements for Use of the Data Encryption Standard in the Physical Layer of Data Communications (FED-STD 1026)
- FIPS PUB 140-1    Security Requirements for Cryptographic Modules
- FIPS PUB 142      Electrical Characteristics of Unbalanced Voltage Digital Interface Circuits (FED-STD 1030A)
- FIPS PUB 144      Digital Communication Performance Parameters (FED-STD 1033)
- FIPS PUB 146-1    The Government Open Systems Interconnection Profile
- FIPS PUB 154      High Speed 25-Position Interface for Data Terminal Equipment and Data Circuit-Terminating Equipment (FED-STD 1032)
- FIPS PUB 155      Data Communications Systems and Services-Measurement Methods for User-Oriented Performance Evaluation (FED-STD 1043)
- FIPS PUB 159      Detail Specifications for 62.5  $\mu$ M Core Diameter/125  $\mu$ M Cladding Diameter Ia Multimode, Graded-Index Optical Waveguide Fiber (FED-STD 1070)
- FIPS PUB 178      Video Teleconferencing Services at 56 to 1,920 KB/S
- FIPS PUB 186      Digital Signature Standard
- FED-STD 1037B    Glossary of Telecommunications Terms
- FIPS PUB 161-1    Electronic Data Interchange (EDI) Standard
- Presidential      Critical Infrastructure Protection Minimum  
Decision            Interoperability Specification for PKI Components  
Directive           (MISPC), Version 1 (NIST Special Publication  
PDD-63            SP 800-15, January 1988)

#### **J.7.4 Department of Treasury**

- Treasury Information Systems Life Cycle (ISLC) Manual
- Technical reference models outlined in the Treasury Information System Architecture Framework Technical Reference Manual



- Treasury Policy Directive TDP 71-10 - Department of the Treasury Security Manual

#### **J.7.5 Customs**

- Customs Systems Development Life Cycle October 1998, HB 5500-07
- Investment Management Process
- Technical reference models outlined in the Enterprise Architecture Technical Reference Manual
- Customs and Trade Automated Interface Requirements (CATAIR)
- Customs Automated Manifest Interface Requirements (CAMIR)
- LAN Configuration and Design Standard
- Domain and Device Name Standards for Distributed Systems
- USCS Automated Information Systems Security Policy CIS HB 1400-05

**Section J8****Task Statement: Customs Modernization Program Management Services****1.0 Background**

The U.S. Customs Service is modernizing its business processes and information technology systems to provide additional functionality needed to support the mission of Customs. This initiative will involve multiple projects that must be integrated with other existing Customs projects and operations into a comprehensive and integrated Modernization program. Because of the magnitude of the effort, sophisticated program management methodologies and services will need to be applied.

The size and complexity of the Modernization Program will require a multi-year implementation effort. Detailed planning and coordination of all program management, project management, and related technical engineering activities is needed to ensure the success of the Customs Modernization Program. This task statement describes the required planning and management support needed to implement the Modernization Program.

**2.0 Scope of Work**

The objective of this task statement is to establish and maintain a comprehensive program and project management methodology, policies, procedures, and support structure to assist Customs in managing the Modernization initiative. The scope of the Program Management Services to be provided includes: planning, controlling, and managing at the program and project level. In this capacity, Customs may also elect to task the Contractor with participation on Boards, Integrated Product Teams, Technical Working Groups, and committees to support Modernization activities.

All management planning under this task will be in support of the Customs Modernization Office (CMO), which has responsibility for implementation of the Customs Modernization Program. The Contractor shall have program and project level management planning and execution responsibility and report to the CMO.

To complete the work in this task statement, the Contractor will be required to be in close communication with Customs personnel both locally and in the field. The

Contractor's task proposal shall identify the level of support the Contractor will require from Customs to perform the tasks in this task statement. This level of support shall identify the types of personnel needed to support this work, when and how long the personnel will be needed, and how often the personnel will be needed. The tasks described below are the minimum requirements and the Contractor may propose additional services or activities as necessary.

### **3.0 Description of Tasks**

The tasks described in this task statement are:

1. Assist in the Development of a Modernization Master Plan
2. Develop Program Planning and Control Methodology
3. Assist Development of Risk Management Program
4. Establish a Configuration Management Program
5. Establish a Quality Management Program
6. Establish a Process Improvement Program
7. Develop Training Program
8. Develop Sub-Contractor Management Plan
9. Manage the Transition

#### **3.1 Task 1: Assist in the Development of a Modernization Master Plan**

The Contractor shall work with Customs Chief Architect to develop a Customs Modernization Master Plan that integrates all Customs systems, including the International Trade Data System (ITDS). This Master Plan shall be a five year roadmap outlining opportunities to reengineer or replace systems in a timely fashion and take advantage of new technologies and business practices. The Contractor shall deliver a plan within four months after award of the task order. This plan will be reviewed by the CMO annually for progress and updated thereafter by the Contractor.

The Contractor shall develop annual Action Plans translated from the goals and objectives outlined in the Customs Modernization Master Plan into implementation plans that provide the requisite tactical level information necessary to successfully achieve the plan. Action Plans will be reviewed by the CMO annually for progress. The Contractor shall use the outputs from these reviews as inputs into the development of the following year's Action Plan.

The Contractor shall deliver the first Action Plan six months after completion of the initial Modernization Master Plan.

The Contractor shall also support the CMO in strategic planning initiatives by providing ad hoc reports on studies and analyses commissioned by the CMO. The Contractor shall provide reports of sufficient quality for executive decision-makers to determine when and whether a contemplated project is feasible and affordable. Additionally, the Contractor shall support Customs in preparing quarterly and ad-hoc reports for Senior Executives and Oversight Organizations by providing appropriate inputs.

### **3.2 Task 2: Develop Program Planning and Control Methodology**

The Contractor shall direct, monitor, forecast and control the program for Customs Modernization at the project level. As such, the Contractor shall develop and maintain a structured methodology for managing multiple competing priorities from multiple projects.

The Contractor shall provide annual updates to the Customs Modernization Enterprise-wide Program Management Plan (PMP) submitted as part of the proposal process. This plan shall outline the Contractor's approach to the long-term management of the Customs Modernization Program, as opposed to managing projects resulting from subsequent task orders. The Plan shall include, but not be limited to, a description of the Contractor's organizational capabilities to assist Customs in its Modernization Program, roles and responsibilities, processes to be applied, tools to be used, and the products to be generated. Additionally, the Plan should document the processes to be used for quality assurance, configuration management, risk management, problem resolution, subcontractor management, and other relevant areas the Contractor deems important.

The Contractor shall also be responsible for developing and maintaining individual project management plans for each task subsequently awarded. The Contractor shall deliver these plans within two months of Task Award and update them annually thereafter.

The Contractor shall establish and maintain the program and project planning, scheduling, and resource baselines for program management. The Contractor shall coordinate, attend and facilitate meetings with Customs staff, contractors, and other parties as necessary to capture and baseline project data and information. The Contractor's coordination responsibilities include such items as developing meeting schedules and agendas, tracking action and issue items, and publishing minutes. The Contractor shall use this information to develop Work Breakdown Structures, Organizational Breakdown Structures, develop and implement project schedules

and budgets, establish resource estimates and resource availability, and establish project baselines for monitoring and control. The Contractor shall develop and maintain an Integrated Master Project Schedule for all Customs Modernization projects within their purview. This schedule will be used as input to the enterprise level Master Schedule maintained by the CMO.

The Contractor shall monitor cost and schedule performance for project level schedules. The Contractor shall use activity-based costing. The Contractor shall assess, quantify, forecast trends, analyze variances, and facilitate development and implementation of corrective actions. The Contractor shall play an active role in problem identification and resolution in order to minimize risk.

The Contractor shall develop and maintain an effective budget and financial management process. Examples of tasks to be performed include updating and maintaining the Cost Benefit Analysis (CBA) for the Automated Commercial Environment (ACE), developing, validating and updating other cost benefit and business case analysis, developing and updating project cost estimates, preparing 5 year budget forecasts, preparing and explaining financial metrics (CBA and return-on-investment, ROI), tracking allocated funds, and tracking contract billings to ensure Contractor charges are accurate. The Contractor shall incorporate Earned Value Management as an integral part of this program where appropriate.

The Contractor shall report detailed project data to the Customs Management Office in order to support the CMO's enterprise-wide program management responsibilities. Types of reporting information shall include, but not be limited to, detailed status reports, progress schedules, metrics, cost estimates, budget projections, and ad hoc reports. The Contractor shall be expected to provide cost reports by various parameters, e.g., by project, by funding type. The Contractor shall ensure that their time reporting system accommodates tracking of various projects, activities, funding sources and Accounting Process Codes (APCs).

The Contractor shall provide periodic status reports on current and forecasted status of all work being performed by it and its sub-contractors, action items, potential problem areas and proposed corrective action, planned activities for the next reporting period, and summary of hours worked. For reports on multiple projects, the Contractor shall work with Customs to develop standard formats, especially reports regarding funding status and progress. The reporting period will be established by the CMO but will be no less than monthly.

### **3.3 Task 3: Assist Development of Risk Management Program**

The CMO is currently in the process of developing a Risk Management Program. As part of this program, a Risk Management Plan shall be developed that addresses

the methodologies, processes and systems to be used in risk mitigation. The plan shall include identification of the potential sources of risk, the process for identifying and classifying the type of risk, the process for assessing the potential impact to scope, quality, cost and schedule, the process for developing mitigation strategies, including contingency plans, the development of monitoring processes, and the process and schedule for reporting risk. The Contractor shall assist the Customs with the development of the Risk Management Plan. In this role, the Contractor shall assist, review and, if appropriate, provide recommendations for enhancements and/or changes to the Customs Risk Management Program.

The Contractor shall conform to the methodologies, processes and systems outlined in the Customs Risk Management Program in implementing effective project level risk mitigation. The Contractor may propose to use its existing risk management process or propose an alternative to Customs for use in project-level risk mitigation activities, but shall be prepared to justify such use and how this approach would be integrated with Customs' approach.

The Contractor shall perform risk assessment on an ongoing basis and shall identify to the CMO Program Manager (PM) or his designee any anticipated risks in current or near-term projects on a monthly basis. The Contractor shall prepare and implement mitigation strategies and monitor the effectiveness of these strategies. The Contractor shall provide a Risk Status Report to the CMO on a monthly basis that describes current risks and the associated mitigation strategies.

### **3.4 Task 4: Establish a Configuration Management Program**

The Contractor shall develop a Configuration Management plan, policies and procedures to provide a consistent, traceable method of tracking, at a minimum, requirements, documents, software and hardware, inventory, and assets. The plan shall address configuration identification, baselines, change control, and audits and reviews.

The Contractor shall establish a central database publishable on the Customs Intranet using acceptable automated tool(s) that allows the tracking and management of all data connected to Customs Modernization to include but not be limited to: system requirements, specifications and standards, documentation, inventories of equipment, site plans and installation configurations. The Contractor shall maintain this database throughout the contract and shall provide an equivalent tool set and monthly data updates to the CMO for use by Customs.

The Contractor shall establish procedures and systems for the maintenance of program documentation, (for both digital and hard copy), including standards for versioning. Examples of types of program documents include, but are not limited to,

standards, interface control documents, architecture standards, correspondence, drawings, and briefings.

The Contractor shall establish and maintain an effective change control management program. This shall include assisting, as necessary, any control boards established by the CMO.

### **3.5 Task 5: Establish a Quality Management Program**

The Contractor shall establish a Quality Management Program that includes a plan, policies and procedures for the program in order to assure quality during all phases of the Contract. The Quality Management Plan shall define the responsibilities and authority of the Quality Assurance organization and the certification and functions of the personnel. The Plan shall address quality planning, quality control, and quality assurance.

### **3.6 Task 6: Establish a Process Improvement Program**

The Contractor shall establish a continuous process improvement initiative for software acquisition, systems engineering, and software development that will be documented in a Process Improvement Plan. This plan shall address the processes, tools, and techniques to be used in process improvement.

The Contractor and any of its teammates/subcontractors that will be producing software are required to maintain at least a Software Engineering Institute (SEI) Software Capability Maturity Model (SW CMM) level 3 maturity. To show this level of maturity, the Contractor and teammates/subcontractors that will be producing software shall have been appraised with a CMM Appraisal Framework (CAF) compliant method at Level 3 or higher of the SW CMM not later than the eighteen months prior to the release of this RFP. The Contractor is required to continually improve its level and breadth of process maturity, i.e., to include systems engineering and software acquisition. Customs may periodically review/evaluate the CMM level and improvement efforts of both the Contractor and its teammates/subcontractors in all these areas. Customs may perform these reviews/evaluations through both formal methods (e.g., CAF compliant evaluations) or through informal methods (e.g., interviewing Contractor employees and reviewing Contractor documentation).

The Contractor shall monitor and stay current with the most recent Capability Maturity Models and other similar improvement models, and shall incorporate these models into its improvement plans and program.

The Contractor shall support Customs internal process improvement and integration activities.

### **3.7 Task 7: Develop Training Program**

The Contractor shall establish and maintain a Training Program that is comprehensive and capable of being integrated with Customs current training practices and procedures. The scope of the Training Program shall encompass both existing and new systems. For example, types of training may include, but not be limited to: “train the trainer” and end user training programs for newly deployed systems, training on Desktop Office packages (e.g., Word, Excel, and PowerPoint), tools training, and skills based training for developers. Training shall be tailored to the various audiences to be trained (e.g., user, developer, customer, field, technical, operations, trainer, etc.).

The Contractor shall be responsible for developing all training materials, including, but not limited to, classroom presentation slides, documentation, manuals, guides, surveys, and on-line help.

The Contractor shall prepare training for a variety of venues including, but not limited to, classroom, computer-based training, and the Customs Intranet.

### **3.8 Task 8: Business Management**

Customs will develop and implement a program level Communications Plan. The Communications Plan will address both internal and external communications, establish formal and informal communications channels, define frequency and types of the communications, and the review and approval processes. Types of communications will include, but not be limited to, correspondence, reports, publications, briefing materials, web pages, and graphics. The Contractor shall review, recommend, and assist the CMO in the implementation of the Communications Plan. The Contractor shall conform to the processes and procedures outlined in the Communications Plan.

The Contractor shall develop and implement its own Communications Plan for each project it manages that supports the communication of project information both internally and to the Customs Communities of Interest. The Contractor’s Communication Plans should be complementary to the Customs program level Communications Plan.

The Contractor shall develop and maintain an information portal on the Customs Intranet for information dissemination to ensure timely and standard communications to stakeholders.



The Contractor shall be responsible for overseeing and managing correspondence, briefings, and reports for both internal and external review and submission. The Contractor shall prepare presentation materials in support of the CMO.

The Contractor shall serve, as a non-voting member, on one or more boards, such as the Executive Steering Committee, providing technical and business guidance on the Modernization Program. The Contractor shall provide appropriate briefing and presentation materials, as necessary, to support the activities of the Board(s).

The Contractor shall develop a Staff Capacity Plan that will be used to provide input to the CMO on staffing issues related to the Modernization initiative. This input shall include recommendations on levels of staffing required to support projects, anticipated changes in skills required by Customs staff and the training required to address skills deficiencies, and anticipated changes in Customs staffing levels as a result of business process re-engineering resulting from the Modernization. The Contractor shall maintain and update the Staff Capacity Plan as each new system or release is being developed and implemented.

The Contractor shall establish and implement effective processes and procedures to identify, track, and manage its Government Furnished Property, space, equipment, and assets.

### **3.9 Task 9: Develop Sub-Contractor Management Plan**

As specified in the Software Engineering Institute's Capability Maturity Model for Software, a key process area is sub-contractor management. The Contractor shall manage all of its Sub-Contractors in a manner consistent with the SEI Capability Maturity Model for Software Development.

The Contractor shall deliver a Sub-Contractor Management Plan<sup>1</sup> within three months of Task Award and as needed thereafter. This plan shall document, at a minimum, the Contractor's processes and procedures for managing the Sub-Contractors, as well as monitoring Sub-Contractor schedule and expenditures (e.g. through earned value analyses).

The Contractor shall ensure that the sub-contractors that it manages execute non-disclosure agreements, as necessary with associate contractors designated by the CMO. The Contractor shall ensure that all its sub-contractors are duly informed as

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<sup>1</sup> The Sub-Contractor Management Plan identified here is not the same as the Small Business/Small Disadvantaged Business Contracting Plan, which is to be submitted as part of the proposal.

to the appropriate standards, policies, and procedures for the completion of their assigned tasks. The Contractor shall require its sub-contractors to report on a regular, defined basis, the status of all work, potential problem areas and proposed corrective action, planned activities and summary of hours worked. The Contractor shall have the responsibility for incorporating this information into program level reports. The Contractor shall have the responsibility for reviewing and approving all invoices submitted by its sub-contractors and resolving any billing discrepancies.

### **3.10 Task 10: Manage the Transition**

The Contractor shall be responsible for Transition Management. As such, the Contractor shall be responsible for development of a Transition Management Plan (TMR) that describes the Contractor's approach to the following issues.

The Contractor shall describe the General Implementation Practices to be applied in Task Orders for deploying new systems to the field. At a minimum, the following items should be addressed:

- Availability of the system to be deployed
- Spares availability
- Data availability (scope, type, media)
- Test equipment and tools
- Training (types, methods, media, target audiences)

The Contractor shall also describe the approach for co-existing with current systems during incremental deliveries and deployment and how systems will be phased in/cutover with minimal disruptions to Customs operations.

In addition, the Plan shall include, but not be limited to, items such as beta testing, site selection and preparation, schedule, software, hardware and network configuration, installation, parallel operations, resources, and integration with legacy systems.

The Plan shall also address the procedure and criteria for system acceptance as well as the respective roles and responsibilities of Customs, the Contractor and other parties (if needed) in the system acceptance process. The Plan shall be explicit with respect to when and how responsibility shifts from the Contractor to Customs and what levels of support the Contractor shall provide during the warranty period.

## 4.0 Government Furnished Materials (GFM)

The Government has or will provide reference materials as background as relevant to the task. The following reference materials will be provided for this task:

- Customs Modernization Master Plan
- Governance Framework for U.S. Customs Service Modernization (draft)
- Customs Management Office Program Management Plan (in development)
- Investment Management Process Systems Description
- Executive Steering Committee Charter (in development)
- Investment Review Board Charter
- Enterprise Process Improvement Strategic Action Plan (draft)
- Management Steering Group Charter (draft)
- Software Engineering Process Group Charter (draft)

The Government will provide office space as negotiated with the Contractor at Task Award. Office space, if provided, will be located at the Newington Data Center.

## 5.0 Deliverables/Delivery Schedule

The deliverables required under this task statement are summarized in Table 5-1 below. This is a minimum set of deliverables. The Contractor shall propose other deliverables deemed necessary or appropriate. Documents are to be delivered in accordance with the terms of the contract as well as any special instructions in the delivery/task order. The web deliverables will be published to an Intranet established for Customs modernization activities by Customs, the Contractor, and the Federally Funded Research and Development Center (FFRDC).

**Table 5-1 Deliverables**

	<b>Deliverable</b>	<b>Format</b>	<b>Due Date</b>
1	Customs Modernization Master Plan Update (Task 1)	Document, briefing, web	Four months after Task Award and annually thereafter
2	Action Plans (Task 1)	Document, briefing, web	Six months after Task Award and updated annually thereafter

	<b>Deliverable</b>	<b>Format</b>	<b>Due Date</b>
3	Reports and Studies (Task 1)	Document, briefing, web	As requested by the CMO
4	Customs Modernization Enterprise-wide Program Management Plan Update (Task 2)	Document, briefing, web	Two months after Task Award and update annually thereafter
5	Project Management Plans (Task 2)	Document, briefing, web	Two months after Project Task Award and update regularly thereafter
6	Integrated Master Project Schedule (Task 2)	Document, web	Two months after Task Award and monthly thereafter
7	Status Reports, progress schedules and associated metrics as determined by the CMO (Task 2)	Document, briefing, web	Monthly, at a minimum, or as otherwise requested by the CMO
8	Risk Status Report (Task 3)	Document, web	Monthly
9	Configuration Management (Task 4)	Document, briefing, web, database repository	Three months after Task Award and update as required
10	Automated tool set for Configuration Management (Task 4)	Product and licenses	Three months after Task Award and with monthly data updates thereafter
11	Quality Management plan, policies and procedures (Task 5)	Document, briefing, web	Three months after Task Award and update as required
12	Process Improvement Plan and associated processes and procedures (Task 6)	Document, briefing, web	Three months after Task Award and update as required
13	Training Plan (Task 7)	Document, briefing, web	Five months after Task Award and update as needed thereafter
14	Communications Plans for each project (Task 8)	Document, briefing, web	Two months after Task Award and update as required
15	Asset Management processes and procedures (Task 8)	Document, briefing, web	Three months after Task Award and update as required
16	Staff Capacity Plan (Task 8)	Document, briefing, web	Two months after beginning a new development effort and update as required, but at least three months prior to system deployment
17	Sub-Contractor Management Plan (Task 9)	Document, briefing, web	Three months after Task Award and as needed thereafter
18	Transition Management Plan (Task 10)	Document, briefing, web	Three months after Task Award and as needed thereafter

## **6.0 Performance and Acceptance Criteria**

The performance measures and acceptance criteria that apply to this delivery/task order are defined in Section E.2 of the Contract.

The Contractor shall propose additional performance measures and acceptance criteria to be used for evaluation of this delivery/task order. Customs will review the Contractor proposal and will either accept it as is or with modifications.

## **7.0 Contractor Furnished Materials (CFM) and ODCS**

The Contractor shall furnish two copies of all tools and documentation used to manage the requirements and architecture. If any proprietary tools are used, then the Contractor shall furnish two copies of all tools and documentation and provided a license for unlimited right to use by the Government or its duly appointed agents.

## **8.0 Travel**

Frequent local travel will be required to complete this task statement. The Contractor shall attend weekly status meetings at both the Newington Data Center and Ronald Reagan Building. All local travel will be reimbursed at the rates in effect at the time of the travel. Local travel is defined as travel within the greater Washington Metropolitan area.

## **9.0 Period of Performance**

The tasks described in this task statement will be performed for a period of five years after task initiation. It is Customs intent to renew this task for two additional five-year periods through the issuance of additional delivery/task orders, subject to satisfactory performance and funds being appropriated and made available to Customs.

## **10.0 Place of Performance**

The Contractor shall have an office in the Metropolitan Washington area within a 30 mile driving radius of the Newington and Ronald Reagan Customs facilities where key personnel, such as the Program Manager, Scheduler, Lead Architect,

and Risk Manager, who are required to perform this task are located. The Contractor shall identify the location of the office and those personnel (by title) who will be located in the office.

### **11.0 Government Task Monitor (GTM)**

#### **COTR:**

Name: TBD

Address:

Telephone No:

Email:

FAX No:

#### **GTM:**

Name: TBD

Address:

Telephone

Email:

FAX No:

## Section J9

# Task Statement for Customs Modernization Enterprise Engineering

## 1.0 Background

The U.S. Customs Service is modernizing its systems to provide additional functionality needed to support the mission of Customs. Customs is also modernizing its systems to improve the underlying infrastructure environment. Customs modernization will require detailed planning and coordination of program management and technical engineering activities in order to ensure success.

Enterprise engineering encompasses all technical activities at the enterprise level. Enterprise engineering involves regularly updating the enterprise architecture and technical reference model needed to plan for implementing individual systems. Enterprise engineering includes defining and establishing a common enterprise infrastructure environment of platforms and services for use by all systems to be developed under Customs modernization.

In 1998, the Technical Architecture Group (TAG) at Customs initiated work on the Customs Enterprise Architecture (EA). The EA conforms to the Treasury Information Systems Architecture Framework (TISAF). The EA includes the TISAF functional, work, information, and infrastructure architecture views of the Customs enterprise in an architecture repository. The EA also includes a Technical Reference Model (Customs TRM) and a Blueprint describing the strategy, process, and approach for managing the EA. The EA is updated regularly.

## 2.0 Scope of Work

The objective of this task statement is to define and plan the technical systems engineering activities of Customs enterprise modernization. These activities will be performed on a recurring basis throughout the entire modernization timeframe.

The scope of this work is Customs enterprise modernization. The activities performed in developing specific systems shall be coordinated with, and shall be consistent with, activities in support of overall Customs modernization enterprise engineering, which are described within this task statement. Development of specific systems, such as for trade compliance or law enforcement, will be

performed under separate delivery/task orders. Development of infrastructure services will also be performed under separate delivery/task orders.

The tasks herein shall be performed in coordination with the Customs Modernization—Program Management task statement. In particular, the overall Enterprise Life Cycle Methodology for managing and performing the engineering activities shall be documented.

### **3.0 Description of Tasks**

The tasks described in this task statement are:

1. Establish and Conform to an Enterprise Life Cycle Methodology (ELCM)
2. Maintain Enterprise Architecture
3. Maintain Technical Reference Model
4. Provide Technical Contributions to the Customs Modernization Master Plan (MMP)
5. Prepare Enterprise Systems Transition Strategy
6. Perform Technology Refreshment Planning
7. Prepare Enterprise Infrastructure Environment Development Strategy
8. Perform Enterprise Engineering Management Support Liaison and Support
9. Manage ELCM Repository
10. Perform Data Sensitivity Analysis

#### **3.1 Task 1: Establish and Conform to Enterprise Life Cycle Methodology**

The Contractor shall prepare and document the ELCM for managing and performing Customs modernization. The Contractor shall propose a methodology, but Customs must approve the final methodology to ensure it is consistent with Customs requirements. The existing Customs Enterprise Architecture Blueprint includes an architecture process that shall be incorporated within the Contractor's proposed ELCM. The methodology shall support use of the Treasury Information Systems Architecture Framework and the Federal Enterprise Architecture Framework (FEAF). The methodology shall include aspects such as enterprise strategies for business and technology, business and technical requirements, enterprise and systems architectures, design, development, testing, deployment, and other aspects. The



Contractor shall describe the artifacts to be produced during each activity within the ELCM, including designs, models, and documents.

Customs modernization will require various levels of coordinated planning, development and deployment across both modernized systems and existing (hereafter called “legacy”) systems. The Contractor shall document the processes for coordinating modernization activities that are using the ELCM and existing activities that will continue to use the Customs’ Systems Development Life Cycle (SDLC) [Reference: SDLC documents]. Legacy systems under life support that are not needed for modernization will not be required to comply with ELCM. However, legacy systems that will need to be interfaced with modernized systems will be considered to be transitional systems. Transitional systems shall be addressed in the ELCM. A tailored set of ELCM artifacts shall be prepared for transitional systems.

The ELCM shall be consistent with the practices comprising the Software Engineering Institute’s Systems Engineering Capability Maturity Model (SE-CMM).

The Contractor shall assist Customs in using ELCM to improve the maturity of Customs’ systems engineering practices. The Contractor shall provide ongoing training on the Enterprise Life Cycle Methodology to Customs personnel, other Contractors involved in modernization, and the Federally Funded Research and Development Center (FFRDC).

Modernization activities performed by the Contractor shall conform to the Enterprise Life Cycle Methodology. The Contractor shall provide assessments of levels of conformance to the ELCM on a quarterly basis. The Enterprise Life Cycle Methodology shall be updated as needed, and at least annually. The ELCM and all artifacts produced (e.g., designs, models, and documents) shall be maintained under configuration management.

### **3.2 Task 2: Maintain Enterprise Architecture**

The existing Customs Enterprise Architecture represents the initial target architecture for Customs modernization. It includes the four architecture views defined by the TISAF and includes perspectives on these views at the enterprise level, business operations level, and functional area level.

The Contractor shall update the Enterprise Architecture at least annually. Updates to the EA shall be made in response to updates in business and technology strategies that are produced during the Enterprise Life Cycle. EA updates shall

ensure consistency and conformance with the TISAF, the FEAF, and updates thereof.

The Contractor shall incorporate into the EA applicable aspects of all new Customs requirements and missions. The Contractor shall incorporate the architectural aspects of the International Trade Data System (ITDS) Information Technology Architecture/Design Report into the EA.

The Contractor shall maintain the state of the target architecture as well as developmental and operational architectures within the Enterprise Architecture. Each developmental architecture will be an incremental modernization step from a baselined operational architecture to a baselined target architecture. The EA shall be configuration-managed.

Additional activities included within the Maintain Enterprise Architecture task that shall be performed include:

- Maintain Architecture Repository
- Update Enterprise Architecture Views

These are described in the following sub-sections.

### **3.2.1. Maintain Enterprise Architecture Repository**

The existing Customs Enterprise Architecture is stored in an Architecture Repository, currently maintained in a Microsoft Access database application. An Architecture Repository is an organized, online library of architectural artifacts, including documents, diagrams, briefings, and models.

The Contractor shall document the policies and procedures for managing the Architecture Repository as part of the ELCM task. The Contractor shall propose an environment of tools for maintaining the Architecture Repository for the Customs enterprise architecture and for systems architectures. After Customs approves an environment of tools, the Contractor shall implement and populate the Architecture Repository and maintain it.

### **3.2.2. Update Enterprise Architecture Views**

The Contractor shall prepare and recommend updates to the EA's architecture views. When any major changes are made to the TISAF's architectural views, the Contractor shall migrate the existing architecture views to the updated views.

Presently the EA's architecture views are consistent with the 1997 edition of the TISAF, as follows:

- Functional architecture
- Work architecture
- Information architecture
- Infrastructure architecture

All TISAF views shall be provided by the Contractor for Customs systems. In addition, Federal Enterprise Architecture Framework views shall be provided for interagency systems. The September 1999 version of the FEAF requires the following architecture views to describe an enterprise architecture:

- Business architecture
- Data architecture
- Applications architecture
- Technology architecture

### **3.3 Task 3: Maintain Technical Reference Model**

The Customs Enterprise Architecture Blueprint contains a Customs TRM. A TRM is also associated with the 1997 version of the TISAF and will be updated for the planned 2000 version. The FEAF has no associated TRM. The TRM delineates standards and product categories along with specific products that may be mandated, recommended, suggested, or optional.

The Contractor shall update the TRM at least annually to reflect the practical experiences of Customs modernization including the experiences in developing specific modernized systems. In addition, the Contractor shall update the TRM as part of ongoing technology refreshment planning activities.

### **3.4 Task 4: Provide Technical Contributions to Customs Master Plan**

A Customs Modernization Master Plan of all enterprise systems will be developed under the Customs Modernization Program Management Services task statement.

The Contractor shall provide technical information and analysis for developing the Customs Master Plan. An enterprise-wide sequencing plan will reflect the priorities for introducing new functional capabilities in conjunction with improving the overall infrastructure for all Customs systems.

The Contractor shall review prior efforts in preparing blueprints or transition plans for legacy systems from an engineering perspective and incorporate these, with modifications as appropriate, into the Customs Modernization Master Plan.

The Contractor shall provide enterprise engineering contributions to the Customs Master Plan, which will be updated at least annually.

### **3.5 Task 5: Prepare Enterprise Systems Transition Strategy**

Customs modernization entails introducing new systems on an ongoing basis into an operational environment with many existing legacy systems. A critical aspect of Customs modernization is to ensure continued operations while deploying modernized systems and capabilities. As modernized systems are introduced, they may supplement or replace functions in legacy systems, as well as introducing new functions. In addition, information may need to be shared between modernized systems and legacy systems during transitional periods. The transition from each legacy system to a corresponding modernized system is expected to be performed in phases over a number of years. Each phase must demonstrate measurable improvements.

To provide an Enterprise Systems Transition Strategy, the Contractor shall identify the types of activities that are needed to plan, manage, coordinate, and ensure continuity of operations and acceptable quality levels of service during transitional periods in which systems will need to developed, deployed, and operated in synchrony. The Contractor shall include strategies to ensure the ability to recover from transitional problems and to rollback to prior operational states, if necessary. Principles to guide transitions shall be documented.

**Note:** For each of the systems modernized, a system-specific transition plan will be produced under the requisite delivery/task order.

In addition, the Contractor shall describe the approach for coordinating development and deployment among the participants, such as Customs Service employees and Contractors supporting existing systems Contractor.

The documentation delineating the Enterprise Systems Transition Strategy shall be updated as necessary, but at least annually.

### **3.6 Task 6: Perform Technology Refreshment Planning**

Customs will update its business strategies periodically to reflect business drivers from many fronts, including legislative and policy activities within the Federal Government and the needs of all communities of interest. In addition, rapid

technical advancement and innovation is expected to continue in many technology areas, particularly for software, computing platforms, and networking environments.

To ensure that appropriate technology is applied to meet Customs' enterprise business needs, information and other technologies will need to be re-examined on a regular basis to determine their potential applicability to support business needs. In addition, the feasibility of introducing new technologies into planned development activities will need to be continually assessed.

The Contractor shall prepare and update at least annually a Technology Refreshment Strategy. The Technology Refreshment Strategy shall provide guidance for selecting technologies for detailed examination, the approach for assessing the technologies, the mechanism for refreshing technologies within the overall Customs modernization program, the methods for mitigating risks associated with the introduction of newer technologies, and the estimated costs for technology refreshment analysis activities.

### **3.7 Task 7: Prepare Enterprise Infrastructure Environment Development Strategy**

During the course of modernization, the Contractor shall be responsible for providing and maintaining the overall Enterprise Infrastructure Environment. The Enterprise Infrastructure Environment consists of general-purpose platforms, networks, and services that can be used as a foundation for building and deploying modernized application systems to support business functions.

The Contractor shall prepare an Enterprise Infrastructure Environment Development Strategy that delineates the overall plan for selecting, implementing, integrating, and deploying the devices and services in the Enterprise Infrastructure Environment. This strategy shall be updated at least annually and in conjunction with changes to the Customs TRM and EA.

It is anticipated that the Contractor will implement the Customs TRM infrastructure services throughout the course of Customs Modernization. Infrastructure services shall be based on commercially available vendor products where appropriate.

The Contractor shall use modernized infrastructure services in developing modernized systems. In planning for the development of each modernized system, the Contractor shall identify the infrastructure services required to implement the system. The modernized infrastructure will be established incrementally, as needed. When one or more infrastructure services has not been developed or adopted for modernization, or needs to be updated, the Contractor shall prepare a proposal for

providing the specific set of services. This proposal will be evaluated for incorporation into a new task statement. Task statements will be issued for developing each increment of the Enterprise Infrastructure Environment.

Parts of the infrastructure environment may be provided and maintained by contracts other than through this contract. For example, some services may be provided as a Treasury-wide service, or as a Federal Government-wide service. It is anticipated that the Contractor will be responsible for providing any interfaces required from the modernization environment to the services provided by these other service providers.

The Contractor shall maintain the Enterprise Infrastructure Environment under configuration management in concert with the various Enterprise Architecture baselines: target, developmental, and operational. The target environment reflects the current goals of modernization. The operational environment reflects the environment in place to support legacy, transitional, and modernized applications that are in operation during a certain increment of modernization. The development environment includes infrastructure under development for a subsequent operational deployment. Over time, the number of legacy infrastructure components in the environment will diminish.

The Contractor shall support legacy infrastructure components required to support interfaces to transitional systems (i.e., legacy systems used with modernized ones).

### **3.7.1 Categories of Enterprise Infrastructure Environment Services**

The Contractor shall use the Customs TRM as the authoritative document defining Customs enterprise infrastructure services. The task to update the Customs TRM, as described in Section 3.3, may result in updates to the infrastructure environment and to the services that the Contractor will provide throughout the course of Customs modernization.

The existing Customs TRM, associated with the Enterprise Architecture, categorizes infrastructure services into the following major service areas:

- User Environment
- Application Services
- Data Services
- Integration Services
- Common Services

### **3.8 Task 8: Perform Enterprise Engineering Management Liaison and Support**

The Contractor shall participate in various groups, committees, and boards as directed by the CMO, such as the Customs Technical Architecture Group, the Technical Review Committee, the Information Technology Committee, and the Investment Review Board.

The Contractor shall also support Customs as required in preparing technical briefings, point papers, and other materials.

### **3.9 Task 9: Manage ELCM Repository**

The Contractor shall maintain all of the artifacts of the ELCM (e.g., EA, design, schedules, data models, encyclopedia, documents) in a repository at the Customs Newington Data Center. A Web-based interface will be provided to the repository to enable access by Customs staff from the Customs Intranet using a Web browser. A search and index capability shall be implemented. The repository shall be configuration-managed with archives to enable the tracking of changes. The Contractor shall update the repository as needed to reflect the latest set of ELCM artifacts.

### **3.10 Task 10: Perform Data Sensitivity Analysis**

The Contractor shall conduct a data sensitivity analysis by determining the types of information that will be handled by the Customs systems, conducting interviews with Customs personnel from the organizations responsible for the data, analyzing the sensitivity of the data, and assessing the results. The Contractor shall develop a report including a characterization of information in terms of its sensitivity level; identification of ownership, source and usage policy; and general and specific requirements for confidentiality, validity, correctness, and availability for each type of data. In addition, the Contractor will propose for Customs approval a security policy identifying potential security domains, allowable interactions, and protection requirements.

## **4.0 Government-Furnished Materials**

The Government has provided, or will provide the following materials to the Contractor for the conduct of work described in this task statement:

- The Customs Enterprise Architecture document and online repository, including the Technical Reference Model

- The Treasury Information Systems Architecture Framework, Treasury Architecture Development Process, and Treasury Architecture Development Guidance documents
- The Federal Enterprise Architecture Framework document.
- Available information on current Customs systems, including requirements, business process models, system architectures, interfaces, and database models
- Available documents describing prior work performed for improving current Customs systems or planning for modernized systems
- The International Trade Data System Information Technology Architecture/Design Report and government agency profiles
- Available documents describing platforms and services that may be provided by other contract vehicles

## 5.0 Deliverables and Delivery Schedule

The deliverables required under this task statement are summarized in Table 5-1 below. This is a minimum set of deliverables. The contractor shall propose other deliverables deemed necessary or appropriate. Documents are to be delivered in accordance with the terms of the contract as well as any special instructions in the delivery/task order. The web deliverables will be published to an extranet established for Customs modernization activities by Customs, the Contractor, and the FFRDC.

Deliverable documents and briefings shall be delivered in accepted formats as indicated in the contract. Deliverables in other formats, such as process models and architecture repository, shall be delivered in formats recommended by the Contractor and agreed to by Customs.

**Table 5-1 Deliverables**

Number	Deliverable	Format	Due Date
1	Detailed Delivery/Task Order Project Plan	Document, project plan, web, briefings	Updates: annually



Number	Deliverable	Format	Due Date
2	Enterprise Life Cycle Methodology (Task 1)	Document, templates, web, process models, briefings	Draft 1: 3 months after task award Draft 2: 5 months after task award Final: 6 months after task award
3	Processes for Coordinating ELCM Activities with Existing SDLC Activities (Task 1)	Briefing	Draft: 5 months after task award Final: 7 months after task award
4	Training on ELCM (Task 1)	Briefings	Draft: 5 months after task award Final: 6 months after task award
5	ELCM Conformance Assessment (Task 1)	Document, web	Every 3 months
6	Enterprise Architecture Repository Structure (Task 2)	Document, web, architecture repository, briefing	Draft: 3 months after task award Final: 6 months after task award
7	Customs Enterprise Architecture (Task 2)	Document, web, architecture repository, briefings	Draft: 3 months after task award Final: 5 months after task award
8	Technical Reference Model (Task 3)	Document, web, architecture repository, briefings	Draft: 4 months after task award Final: 6 months after task award
9	Technical Contributions to Enterprise Master Plan (Task 4)	Documents, project charts, briefings	Drafts: every 2 months
10	Enterprise Systems Transition Strategy (Task 5)	Document, web, briefings	Draft: 3 months after task award Final: 5 months after task award

Number	Deliverable	Format	Due Date
11	Technology Refreshment Strategy (Task 6)	Document, web, briefings	Draft: 5 months after task award Final: 7 months after task award
12	Enterprise Infrastructure Environment Development Strategy (Task 7)	Document, web, briefings	Draft: 6 months after task award Draft: 8 months after task award Final: 10 months after task award
13	As Required Materials (Task 8)	As required	As required
14	ELCM Repository (Task 9)	Web-based, electronic repository	Initial: 3 months after task award Updates as required
15	Data Sensitivity Report (Task 10)	Document, web, briefings	Draft: 6 months after task award Draft: 8 months after task award Final: 10 months after task award
16	Security Policy (Task 10)	Document, web, briefings	Draft: 8 months after task award Draft: 10 months after task award Final: 12 months after task award
17	Status Reports	Informal	Weekly

## 6.0 Performance and Acceptance Criteria

The performance measures and acceptance criteria that apply to this delivery/task order are defined in Section E.2 of the Contract.

The Contractor shall propose additional performance measures and acceptance criteria to be used for evaluation of this delivery/task order. Customs will review the Contractor proposal and will either accept it as is or with modifications.

## **7.0 Contractor Furnished Materials and ODCs**

The Contractor shall furnish two copies of all tools and documentation used to manage the requirements and architecture. Proprietary tools shall not be used without prior government approval. If any proprietary tools are used, then the Contractor shall furnish two copies of all tools and documentation and provided a license for unlimited right to use by the Government or its duly appointed agents.

## **8.0 Travel**

Frequent local travel will be required to complete this task statement. Local travel is defined as travel within the greater Washington metropolitan area. It is expected that travel to representative Customs sites will be required to view operational environments and interview Customs staff. For planning purposes, the Contractor should expect that teams of up to 4 people will travel to representative Customs sites to view operational environments and interview Customs staff. Three two-day trips are anticipated to each of the following sites:

- Detroit, Michigan
- Newark, New Jersey
- Miami, Florida
- Los Angeles, California
- San Diego, California
- Laredo, Texas

It is expected that travel will be required to interview staff from government agencies. A majority of this travel is expected to be within the Washington metropolitan area. For planning purposes, the Contractor should also expect that teams of up to 3 people will travel within the United States to visit 5 government agency sites outside the Washington metropolitan area.

It is expected that travel will be required to interview staff from representative non-governmental organizations such as commercial companies conducting trade. For planning purposes, the Contractor should expect that teams of up to 3 people will travel within the United States to 5 representative non-governmental organizations.

It is expected that travel will be required to collect best practices from industry. For planning purposes, the Contractor should expect that teams of up to 3 people will travel within the United States to 5 commercial companies.

It is expected that travel will be required to conduct technical meetings with vendors of commercial products that are under consideration for the Enterprise Infrastructure Environment. For planning purposes, the Contractor should expect that teams of up to 3 people will travel within the United States to 10 key vendor sites.

## **9.0 Period of Performance**

The tasks described in this task statement will be performed for a period of five years after task initiation. It is Customs intent to renew this task for two additional five-year periods through the issuance of additional delivery/task orders, subject to satisfactory performance and funds being appropriated and made available to Customs.

## **10.0 Place of Performance**

The Contractor shall propose the place(s) of performance of these tasks and provide the rationale for this proposal.

## **11.0 Government Task Monitors**

### **COTR:**

Name: TBD  
Address:  
Telephone No:  
Email:  
FAX No:

### **GTM:**

Name: TBD  
Address:  
Telephone  
Email:  
FAX No:

**Section J10****Task Statement for ACE Requirements and Planning****1.0 Background**

The U.S. Customs Service is modernizing its systems to provide additional functionality needed to support the mission of Customs. A key system to improve trade compliance is the Automated Commercial Environment (ACE). ACE will replace and supplement the functionality currently found in the Automated Commercial System (ACS). Some of the important new functions include account-based management and a unified trade interface. Customs has developed a high level set of requirements for ACE. These requirements will be provided to the Contractor for use in the work to be performed in this Task Statement.

The size of the ACE system requires a multiyear implementation. Planning is required to break the effort into increments that can be implemented sequentially with measurable improvements after each increment. This task statement describes the required planning effort to implement ACE successfully. Oversight organizations have mandated that each increment shall be operationally deployable independently of the other increments.

**2.0 Scope of Work**

The objective of this task statement is to gather and refine the high level requirements for the entire ACE system, design or refine the ACE architecture, develop a transition plan that identifies an incremental approach to build ACE, and define the detailed requirements and plan to build the next increment of ACE. For this work, ACE will include all International Trade Data System (ITDS) capabilities described in ITDS documents in the bidder's library.

**3.0 Description of Tasks**

The tasks described in this task statement are:

1. Gather and Refine High Level ACE Requirements
2. Design ACE System Architecture
3. Develop and Refine ACS to ACE Transition Plan

4. Define Detailed ACE Requirements for Next Transition Increment
5. Update Cost Benefit Analysis (CBA)
6. Manage Requirements and Documents
7. Develop Infrastructure Improvement Plan
8. Prepare Project Plan To Implement Next Increment of ACE

### **3.1 Task 1: Gather and Refine High-Level ACE Requirements**

Customs and ITDS have already defined a number of requirements for the ACE system. The Contractor shall gather and refine high-level requirements for the entire ACE system, including evaluating and integrating the ITDS requirements. The purpose of the requirements is to plan the incremental implementation of ACE. These requirements shall be in sufficient detail to design or refine the ACE architecture.

The requirements shall include but not be limited to:

- Description of users
- Vision statement for system
- Functional requirements
- Concept of Operations
- Performance, interoperability, and integration with Customs and external systems
- Requirements rationale, assumptions, and priorities
- Issues, risks, and tradeoff assessment
- Cost and schedule
- Acceptance criteria
- Testing requirements
- Documentation requirements
- Operations, reliability, maintenance, and training requirements

The Contractor shall identify key requirements that strongly influence cost, schedule, functionality, risk, or performance.

The ACE system will be used by a large and diverse community of users. Acceptance of the requirements may entail a complex process. The Contractor shall work with the Trade Support Network (TSN) and representatives of Other Government Agencies (OGAs) for approval of high level requirements by the entire Community of Interest. Customs will support the Contractor in coordinating communications with the Community of Interest.

Customs and the Federally Funded Research and Development Center (FFRDC) will conduct an Independent Verification and Validation (IV&V) of requirements. The Contractor shall conduct a minimum of two walkthroughs with Customs and the FFRDC to ensure that the requirements are complete and at the appropriate level of detail. The Contractor shall conduct additional walkthroughs as required with the TSN and OGAs to ensure the requirements address the needs of all users.

The Contractor shall obtain written approval of the requirements from the Trade Compliance Board of Directors (TC BoD) and Customs Executive Steering Committee (ESC). The Contractor shall provide to Customs a Requirements Document that defines the high level requirements for the ACE system. The document must be approved and signed by the TC BoD and Customs ESC before the deliverable is considered completed.

The Contractor shall deliver a requirements database that stores all requirements. A product of this task shall also be an application that generates reports from the requirements database, such as a requirements traceability matrix. The system requirements shall be traceable to business processes that are maintained in the Enterprise Architecture Repository. A Systems Requirements Document that defines the high level requirements for the entire ACE system shall be provided.

### **3.2 Task 2: Design ACE System Architecture**

The purpose of this task is to examine the requirements, as well as the technology needs and availability to determine if realistic architectural, design, cost, and schedule solutions exist that satisfy the users' needs, given current and future technology. This process also helps identify architectures and designs that meet the requirements but do not deliver all the needed capability. Ultimately, it helps determine whether the requirements are reasonable and how well they communicate the desired capability.

An architecture of the ACE system shall be developed or refined to guide the incremental and evolutionary implementation of ACE. The architecture shall depict the views required by the Treasury Information Systems Architecture Framework (TISAF). The Contractor shall also provide a list of key requirements that strongly influence cost, schedule, functionality, risk, or performance.

The ACE System Architecture shall be defined in compliance with the methodology, terminology, guidelines, and technologies in the Customs Enterprise Architecture (EA), including the Customs TRM and Architecture Blueprint, and the Enterprise Life Cycle Methodology (ELCM). All of these will be updated on a periodic basis during the performance of work on the Customs Modernization Enterprise Engineering Task Statement. Any technologies not included in the EA shall be submitted for approval through the Investment Management Process. Only approved technologies shall be included in the ACE System Architecture.

The ACE System Architecture shall include the requirements gathered in Task 1. As part of this activity, the Contractor shall provide a list of the key design issues affecting system development. A list of evaluations, studies, and analyses required to address the issues and the status of the evaluations shall be provided. Additional tasking may be required to perform these evaluations, studies, and analyses.

A product of this task shall be an architecture document that describes the architecture for the entire ACE system. The architecture shall also be maintained in a repository with a modeling tool to enable evolution of the architecture over time. The repository shall be accessible from the network at the Newington Data Center.

### **3.3 Task 3: Develop and Refine ACS to ACE Transition Plan**

The Contractor shall develop an ACS to ACE transition plan that describes an incremental approach for migrating functionality from ACS to ACE. The plan shall define several development increments ( that enable iterative definition, evolution, and funding of development tasks until the completion of ACE. Estimates for the magnitude of complexity for each increment of the program will be provided in terms of staffing full-time equivalents, skills needed, risk, lines of code, and cost.

The plan shall identify resources that are critical to the technical success of the program. It shall also define any changes that will be required to be made to the legacy systems, especially ACS, as a result of implementing the increments of ACE. The plan shall describe approaches to solve the technical requirements for transition, including but not limited to: data migration and synchronization, application of business rules, deployment of a single user interface, deployment of new functionality without interruption of Customs operations, and training of Customs staff to perform operation and maintenance of the systems in parallel.

As part of this task, the Contractor shall also develop a Communications Plan. This plan shall be developed in support of the Customs Modernization Office's (CMO) overall Modernization Communications Plan, and shall focus on those communications necessary to successfully implement the ACE system.



The appendix at the end of this Task Statement provides background on a prior analysis performed by Customs on the ACS to ACE transition. This analysis did not include ITDS. The Contractor is not required to follow this approach.

A product of this task shall be the ACS to ACE transition plan that describes the activities for incrementally migrating functionality from ACS to ACE.

### **3.4 Task 4: Define Detailed ACE Requirements for Next Transition Increment**

The Contractor shall refine the high level ACE requirements for the next scheduled increment in the Transition Plan. The requirements for this increment shall be defined in sufficient detail to build the increment under a subsequent task statement.

The requirements shall be stored in the requirements database described in Task 1.

As previously mentioned, the ACE system will be used by a large and diverse community of users. For the detailed requirements, smaller working groups may be created from the TSN or OGAs in coordination with Customs to approve the detailed requirements. The composition of the working groups will be dependent on the organizations affected by the functionality provided in the increment of ACE.

Customs and the FFRDC will conduct an IV&V of the requirements. The Contractor shall conduct a minimum of two walkthroughs with Customs and the FFRDC to ensure the requirements are complete and at the appropriate level of detail. The Contractor shall conduct additional walkthroughs as required by Customs with the Customs Communities of Interest, such as the TSN or OGAs, to ensure the requirements address the needs of the broader community. The Contractor shall obtain written approval of the requirements from the TC BoD and ESC.

The Contractor shall provide to Customs a Systems Requirements Document that defines the detailed requirements for the first increment of the ACE system. The document must be approved and signed by the TC BoD and Customs ESC before the deliverable is considered completed.

### **3.5 Task 5: Update Cost Benefit Analysis (CBA)**

The Contractor shall develop a stand-alone business case and update the existing ACE CBA. This update shall reflect the requirements gathered in Tasks 1, 3, and 4. The updated CBA shall address all GAO guidance and shall follow OMB Circular A94. The Contractor shall also provide Customs the cost models used for this task.

### **3.6 Task 6: Manage Requirements and Documents**

The Contractor shall maintain the requirements, the architecture, and other supporting documents in a Web-accessible repository at the Customs Newington

Data Center. The requirements and architecture shall be defined in accordance with the Contractor's requirements management methodology. The repository shall be configuration-managed and updated as needed to reflect the latest set of requirements.

### **3.7 Task 7: Develop Infrastructure Improvement Plan**

The Contractor shall provide a description and estimated cost of infrastructure improvements required to implement the ACE transition. Because modernization is a multiyear and multi-system effort, the Contractor will endeavor to select scalable improvements that can be deployed at minimal cost in the early increments of ACE and expanded over time to meet growing performance or usage requirements of later increments of ACE or other modernization efforts.

The Contractor shall provide to Customs an Infrastructure Improvement Plan that satisfies the high level requirements for ACE and the detailed requirements for the first increment.

### **3.8 Task 8: Prepare Project Plan To Implement Next Increment of ACE**

The Contractor shall prepare a project plan to design, develop, and implement the first increment of ACE as defined in the Detailed ACE Requirements.

The project plan shall describe approaches to solve the technical requirements for transition, including but not limited to: data synchronization, application of business rules, deployment of a single user interface, deployment of new functionality without interruption of Customs operations, and training of Customs staff to perform operation and maintenance of the systems in parallel.

## **4.0 Government Furnished Materials**

The Government has or will provide the following materials to the Contractor for the conduct of work described in this task statement:

- The Customs Enterprise Architecture (EA) document and online repository, including the Technical Reference Model (TRM)
- The Treasury Information Systems Architecture Framework, Treasury Architecture Development Process, and Treasury Architecture Development Guidance documents
- The Federal Enterprise Architecture Framework (FEAF) document.

- Available information on current Customs systems, including requirements, business process models, system architectures, interfaces, and database models
- Available documents describing prior work performed for improving current Customs systems or planning for modernized systems
- The International Trade Data System Information Technology Architecture/Design Report and government agency profiles
- Available documents describing platforms and services that may be provided by other contract vehicles

## 5.0 Deliverables and Delivery Schedule

The deliverables required under this task statement are summarized in Table 5-1 below. This is a minimum set of deliverables. The contractor shall propose other deliverables deemed necessary or appropriate. Documents are to be delivered in accordance with the terms of the contract as well as any special instructions in the delivery/task order. The web deliverables will be published to an extranet established for Customs modernization activities by Customs, the Contractor, and the FFRDC.

**Table 5-1 Deliverables**

	<b>Deliverable</b>	<b>Format</b>	<b>Due Date</b>
1	ACE System Requirements (Task 1)	Document, web, briefing, database of requirements The final document must be signed by the TC BoD and ESC	Draft 1: 2 months after task award Draft 2: 3 months after task award TSN and OGA Walkthroughs: As required Final: 4 months after task award
2	ACE Design Issues List (Task 2)	Briefing	Monthly
3	ACE System Architecture (Task 2)	Document, web, briefing, architecture repository	Draft 1: 2 months after task award Draft 2: 3 months after task award Final: 4 months after task award
4	ACS to ACE Transition Plan (Task 3)	Document, briefing, web	Draft 1: 2 months after task award Draft 2: 3 months after task award Final: 4 months after task award

	<b>Deliverable</b>	<b>Format</b>	<b>Due Date</b>
5	Detailed Requirements for first increment of ACE (Task 4)	Document, briefing, web, project plan The final document must be signed by the TC BoD and ESC	Draft 1: 4 months after task award Draft 2: 5 months after task award TSN and OGA Walkthrough: As required Final: 6 months after task award
6	ACE Requirements and Architecture Repository (Task 6)	Web-accessible repository	Draft 1: 1 months after task award Final: 2 month after task award Monthly updates after final
7	Revised ACE CBA and associated cost models (Task 5)	Document, briefing, web	Draft 1: 4 months after task award Draft 2: 5 months after task award Final: 6 months after task award
8	Infrastructure Improvement Plan (Task 7)	Document, briefing, web, project plan	Draft 1: 4 months after task award Draft 2: 5 months after task award Final: 6 months after task award
9	Project Plan to Implement First Increment of ACE (Task 8)	Document, briefing	Final: 5 months after task award
10	Progress Reports	Document, web	Monthly
11	Trip Reports	Document, web	As Required
12	Status Reports	Informal	Weekly

## 6.0 Performance and Acceptance Criteria

The performance measures and acceptance criteria that apply to this delivery/task order are defined in Section E.2 of the Contract.

The Contractor shall propose additional performance measures and acceptance criteria to be used for evaluation of this delivery/task order. Customs will review the Contractor proposal and will either accept it as is or with modifications.

## 7.0 Contractor Furnished Materials and ODCS

The Contractor shall furnish two copies of all tools and documentation used to manage the requirements and architecture. Proprietary tools shall not be used without prior government approval. If any proprietary tools are used, then the Contractor shall furnish two copies of all tools and documentation and provide a license for unlimited right to use by the Government or its duly appointed agents.

## **8.0 Travel**

Frequent local travel will be required to complete this task statement. It is anticipated that requirements gathering will require frequent trips in the Washington Metropolitan area to meet with Customs staff.

It is expected that travel to representative Customs sites will be required to view operational environments and interview Customs staff. For planning purposes, the Contractor should expect that teams of up to four people will travel to representative Customs sites. Three day-trips are anticipated to each of the following sites:

- Detroit, Michigan
- Newark, New Jersey
- Miami, Florida
- Los Angeles, California
- San Diego, California
- Laredo, Texas

## **9.0 Period of Performance**

The tasks described in this task statement will be performed for a period of six months after task initiation. It is Customs intent to renew this task each year for several years until the successful implementation of ACE through the issuance of annual delivery/task orders, subject to satisfactory performance and funds being appropriated and made available to Customs.

## **10.0 Place of Performance**

The Contractor shall propose the place(s) of performance of these tasks and provide the rationale for this proposal.

COTR:

Name: TBD  
Address:  
Telephone No:  
FAX No:

GTM:

Name: TBD

Address:

Telephone

FAX No:

## Appendix

# Historical Context on ACS to ACE Transition

**Note: This appendix provides a synopsis of a prior cost-benefit analysis performed by Customs on the ACS to ACE transition. This analysis did not include ITDS. The Contractor is not required to follow this approach.**

The complexity of this modernization requires an incremental approach. Customs prepared a Transition Plan for ACE development to deliver increasingly improved capabilities in approximately four phases. Customs divided its mission into functional areas and allocated functions into four phases for incremental rollout. The development and deployment sequence of ACE capabilities were based on numerous factors: the planned deployment of IT infrastructure, which will serve as the foundation upon which ACE will be built; the potential for increasing trade participation in the automation of the import process; the potential for migrating large volumes of transactions to the new process; a logical design approach for phasing in functionality; and adherence to NAFTA, the Mod Act, Chief Financial Officers Act, and other legislative requirements. The order of rollout was also influenced by the scope of business and system functionality for a given ACE component, the amount of effort and time needed to develop the application, and the timeframe for deployment to the various ports.

A summary of the business functions and their deployment sequence within ACE is depicted in Figure 1.0. A sequenced, yearly summary of new ACE functions, as well as those migrated from ACS, are listed in the center column, grouped by phase. An overview of the yearly enhancement objectives that ACE will enable during each phase is depicted in the right column.

Business functions were planned to be transitioned from ACS to ACE largely in accordance with mission requirements. The transition from transaction-based to account-based processing will require the acquisition of new ACE capabilities early in modernization. Accordingly, year 1 of ACE modernization will consist exclusively of acquiring new functions. Years 2 and 3 will include the migration of current ACS functions as well as the automation of functions that are currently accomplished outside of ACS. Year 4 will focus on current ACS and non-ACS functions.

\*Assumes Phase 1 begins in 2001

## ACS to ACE Migration

New Functions

	Phase 1*	Phase 2	Phase 3	Phase 4	
ACE Software Development	Cargo Release	Track 4 All Modes (Truck, Rail, Air, Sea) Account Services	Tracks 2&3 All Modes (Truck, Rail, Air, Sea)	Track 1; Line Release; Warehouse Entry, Quota; Courier Accounts; Consolidated Ent. Proc.	Foreign Trade Zone Processing; In-Bond Processing
	Revenue	Subsidiary Ledger Periodic Payment Account Services	Liquidations, Nat. Daily Statement, Collections, Refunds, and Deps, Violation Billing	Debit Voucher; Liquidation Processing, Voluntary Tender/Prior Disclosure, Protests	Bankruptcy Processing; Drawback Entries and Processing
	Quota			Quota Processing	
	Summary	Data Review Reconciliation Account Services	Liquidations; Collections, Refunds, and Deposits	Voluntary Tender/Prior Disclosure; Anti-dumping/ Countervailing Duty; Warehouse Withdrawal; Courier Accounts, Protests	Drawback Entries and Processing
	Manifest	Track 4 All Modes	Track 2&3 All Modes	Courier Accounts; Warehouse Withdrawal and Processing	
	Interface	Common External Interface (MQ)	Common Internal User Interface FDA Interface	IRS, Fish & Wildlife, Dept. of Agriculture, Dept. of Transportation Interface	
	Other Systems Automated systems & data in a system other than ACS		Regulatory Audit Management Information System (RAMIS)	Laboratory Information Management System (LIMS)	SEACATS, Enforce Eval Team Automatic Support; Integration of Prob Solving Resolution Cycle Process

**Figure 1.0 ACS to ACE Migration**

The infrastructure foundation upon which ACE functions will reside were planned to be upgraded according to mission requirements. Costs are prorated across the three primary categories (Data Center, Network, and Field) according to system vulnerabilities and database requirements. All three will be upgraded over the entire ACE development period based on the priorities dictated by these factors.

The migration of both the business functions and infrastructure is depicted in Figure 2.0 Business functions migrate at the various year points while infrastructure is continually upgraded throughout the 4-year period.



## **ACE Business-Based Plan for Customs Modernization**

	<b>Function Deployment Sequence</b>	<b>Objectives</b>
<b>Phase 1</b>	<p>Account-based processing instituted (vs transaction-based) Detailed declaration of account transactions available for data review and verification Periodic payments and statements available electronically to Customs clients nationally</p> <p>Multiple pre-identified transaction estimates reconciled electronically via single detailed declaration Account-based analysis improves Customs ability to target non-compliant clients</p> <p>Electronic processing for highly compliant clients ("Track 4") expanded to air, sea and rail transactions Automated Manifest System transitioned to ACE for air/sea/rail transactions for Track 4 clients NCAP (ACE pilot) lessons learned integrated into ACE Account log created containing detailed client contact info used to create client performance profile</p> <p>Transparent common trade interface with Customs regardless of where data is sent (ACS or ACE)</p>	<p>Highly compliant importers will process all official entry documentation for all modes of transportation along with duty payments, in a streamlined manner that eliminates redundancy.</p>
<b>Phase 2</b>	<p>Electronic processing for remaining clients ("Tracks 2 &amp; 3") expanded to sea and rail transactions Automated Manifest System transitioned to ACE for sea/rail transactions for Tracks 2 &amp; 3 clients Trade account national statements processed daily ACE interface with FDA operational</p> <p>Electronic processing for remaining clients ("Tracks 2 &amp; 3") expanded to air transactions Automated Manifest System transitioned to ACE for air transactions for Tracks 2 &amp; 3 clients Client accounts divided into business categories for better tracking</p> <p>Transparent common interface for internal users regardless of where data is processed (ACS or ACE)</p> <p>Electronic processing for remaining clients ("Tracks 2 &amp; 3") expanded to Truck transactions Customs-wide access to Regulatory Audit Management Information System used by auditors Collection functional enhancements including electronic refunds and deposits on statements</p> <p>Minor compliance violators billed electronically "Big picture" trends analyzed to uncover root causes of non-compliance</p>	<p>Year 1 capability will expand to all importers, for all modes of transportation.</p> <p>Additional revenue functionality will be developed as well as an improved process for the issuance of minor penalties and a Food and Drug Administration interface.</p>
<b>Phase 3</b>	<p>Customs resources directed to serious non-compliance problems via enforcement filter ACE interface with DOT operational Real-time Anti-Dumping and Countervailing Duty processing on-line Sureties that provide bonds to Customs clients able to track client activity in real-time via ACE interface</p> <p>Transactions that require paper processing ("Track 1") enabled via manual input to ACE systems ACE interface to Fish and Wildlife agency operational Warehouse, Rewarehouse, Foreign Trade Zone import declarations processed electronically Customs lab able to initiate, report and track merchandise samples electronically Electronic application and accreditation process provided for commercial laboratories</p> <p>Interface with Department of Agriculture operational Automated notification of import transaction "close-out"</p> <p>Unsolicited changes to import declarations from trade processed electronically Voluntary admissions by trade of transaction mistakes processed electronically Disclosures by trade of unintentional long-term non-compliance processed electronically Interface with IRS operational Trade protest filing and processing processed electronically Automatic account payments via Debit Voucher Processing now supported by ACE</p> <p>Accounting of entry/withdrawal of warehoused items automated Courier account import declarations automated and consolidated Integration of pre-approved cargo release system for high volume/low risk merchandise Bonds from sureties now filed electronically Courier accounts automated and consolidated</p>	<p>Enhanced enforcement features will be added, resulting in streamlined targeting.</p> <p>Anti-dumping &amp; quota entry processing will be automated, as will protests and voluntary tenders of duty.</p>
<b>Phase 4</b>	<p>Admission of merchandise into and withdrawal from Foreign Trade Zones automated Electronic processes in place to handle bankruptcy-driven events (account closure, late fees, etc.) In-bond merchandise not making official entry into United States tracked electronically Remote location filing enabled where merchandise enters at one port, but is examined at another Remaining special category import declarations automated Import and export data linked electronically via Automated Export System integrated into ACE</p> <p>Exporting of imported merchandise that has been altered in-country now processed electronically</p> <p>Automated Manifest System fully integrated into ACE system Carrier reviews verified electronically Physical Verification of Manifested Quantities entered on-line, in real time at port Electronic recording of compliance verification of bonded premises</p> <p>Automated Manifest System fully integrated into ACE system for all sea manifests Track 1 paper processing fully enabled with full live entry into ACE systems Custom inspectors at US Post Offices enabled with electronic connectivity to ACE systems ACS mail processes integrated into ACE</p> <p>Problem Resolution Cycle integrated via fully enabled targeting &amp; account information profiling Enforce Evaluation Team fully enabled via client risk management evaluations from ACE Inventory and tracking of seized currency &amp; assets integrated into ACE systems (SEACATS Interface)</p>	<p>Automated Export System, air Manifest System, and Seized Asset and Case Tracking System fully integrated.</p> <p>The remainder of import declaration processing will be automated as well as bankruptcy and drawback processing.</p>

**Figure 2.0 ACE Business-Based Plan**

## Part IV: Representations and Instructions

### Section K

## Representations, Certifications and Other Statements of Offerors

### K.1 FAR 52.203-2 Certification of Independent Price Determination (Apr 1985)

- (a) The offeror certifies that—
- (1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to—
    - (i) Those prices;
    - (ii) The intention to submit an offer; or
    - (iii) The methods or factors used to calculate the prices offered.
  - (2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and
  - (3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.
- (b) Each signature on the offer is considered to be a certification by the signatory that the signatory—
- (1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision; or
  - (2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision \_\_\_\_\_ [insert full name of person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization];

- (ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) of this provision have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision; and
  - (iii) As an agent, has not personally participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) of this provision.
- (c) If the offeror deletes or modifies subparagraph (a)(2) of this provision, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

## **K.2 52.204-3 Taxpayer Identification (Oct 1998)**

### **(a) Definitions.**

Common parent, as used in this provision, means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the offeror is a member.

Taxpayer Identification Number (TIN), as used in this provision, means the number required by the Internal Revenue Service (IRS) to be used by the offeror in reporting income tax and other returns. The TIN may be either a Social Security Number or an Employer Identification Number.

- (b) All offerors must submit the information required in paragraphs (d) through (f) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the IRS. If the resulting contract is subject to the payment reporting requirements described in Federal Acquisition Regulation (FAR) 4.904, the failure or refusal by the offeror to furnish the information may result in a 31 percent reduction of payments otherwise due under the contract.
- (c) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(d) Taxpayer Identification Number (TIN).

☐ TIN:-----

☐ TIN has been applied for.

☐ TIN is not required because:

☐ Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

☐ Offeror is an agency or instrumentality of a foreign government;

☐ Offeror is an agency or instrumentality of the Federal Government.

(e) Type of organization.

☐ Sole proprietorship;

☐ Partnership;

☐ Corporate entity (not tax-exempt);

☐ Corporate entity (tax-exempt);

☐ Government entity (Federal, State, or local);

☐ Foreign government;

☐ International organization per 26 CFR 1.6049-4;

☐ Other-----

(f) Common parent.

☐ Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this provision.

☐ Name and TIN of common parent:

Name-----

TIN-----

**K.3 52.204-5 Women-Owned Business (Other Than Small Business) (May 1999)**

- (a) Definition. Women-owned business concern, as used in this provision, means a concern that is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.
- (b) Representation. [Complete only if the offeror is a women-owned business concern and has not represented itself as a small business concern in paragraph (b)(1) of FAR 52.219-1, Small Business Program Representations, of this solicitation.] The offeror represents that it [ ] is, [ ] is not a women-owned business concern.

**K.4 52.209-5 Certification Regarding Department, Suspension, Proposed Department, and Other Responsibility Matters (Mar 1996)**

- (a) (1) The Offeror certifies, to the best of its knowledge and belief, that –
  - (i) The Offeror and/or any of its Principals –
    - (A) Are [ ] are not [ ] presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
    - (B) Have [ ] have not [ ], within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property; and
    - (C) Are [ ] are not [ ] presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.
  - (ii) The Offeror has [ ] has not [ ], within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

- (2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER SECTION 1001, TITLE 18, UNITED STATES CODE.

- (b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (c) A certification that any of the items in paragraph (a) of this provision exists will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsible.
- (d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

#### **K.5 52.215-6 Place of Performance (Oct 1997)**

- (a) The offeror or respondent, in the performance of any contract resulting from this solicitation, ☐ intends, ☐ does not intend [check applicable block] to use one or more plants or facilities located at a different address from the address of the offeror or respondent as indicated in this proposal or response to request for information.

- (b) If the offeror or respondent checks "intends" in paragraph (a) of this provision, it shall insert in the following spaces the required information:

Place of performance (street (street address, city, state, county, code)	Name and address of owner and operator of the plant or facility if other than offeror or respondent

#### **K.6 52.219-1 Small Business Program Representations (May 1999)**

- (a) (1) The standard industrial classification (SIC) code for this acquisition is.
- (2) The small business size standard is
- (3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.
- (b) Representations.
- (1) The offeror represents as part of its offer that it ☐ is, ☐ is not a small business concern.
- (2) (Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.) The offeror represents, for general statistical purposes, that it ☐ is, ☐ is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.
- (3) (Complete only if offeror represented itself as a small business concern in paragraph (b)(1) of this provision.) The offeror represents as part of its offer that it ☐ is, ☐ is not a women-owned small business concern.

(c) Definitions.

"Small business concern", as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR Part 121 and the size standard in paragraph (a) of this provision.

"Women-owned small business concern", as used in this provision, means a small business concern—

- (1) Which is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (2) Whose management and daily business operations are controlled by one or more women.

(d) Notice.

- (1) If this solicitation is for supplies and has been set aside, in whole or in part, for small business concerns, then the clause in this solicitation providing notice of the set-aside contains restrictions on the source of the end items to be furnished.
- (2) Under 15 U.S.C. 645(d), any person who misrepresents a firm's status as a small or small disadvantaged business concern in order to obtain a contract to be awarded under the preference programs established pursuant to sections 8(a), 8(d), 9, or 15 of the Small Business Act or any other provision of Federal law that specifically references section 8(d) for a definition of program eligibility, shall-
  - (i) Be punished by imposition of fine, imprisonment, or both;
  - (ii) Be subject to administrative remedies, including suspension and debarment; and
  - (iii) Be ineligible for participation in programs conducted under the authority of the Act.

## **K.7 52.219-22 Small Disadvantaged Business Status (Oct 1998)**

- (a) General. This provision is used to assess an offeror's small disadvantaged business status for the purpose of obtaining a benefit on this solicitation. Status as a small business and status as a small disadvantaged business for general statistical purposes is covered by the provision at FAR 52.219-1, Small Business Program Representation.



(b) Representations.

(1) General. The offeror represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either—

[ ] (i) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and

(A) No material change in disadvantaged ownership and control has occurred since its certification;

(B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and

(C) It is listed, on the date of this representation, on the register of small disadvantaged business concerns maintained by the Small Business Administration; or

[ ] (ii) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(2) [ ] For Joint Ventures. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements at 13 CFR 124.1002(f) and that the representation in paragraph (b)(1) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture:\_\_\_\_\_.]

(c) Penalties and Remedies. Anyone who misrepresents any aspects of the disadvantaged status of a concern for the purposes of securing a contract or subcontract shall:

(1) Be punished by imposition of a fine, imprisonment, or both;

(2) Be subject to administrative remedies, including suspension and debarment; and

(3) Be ineligible for participation in programs conducted under the authority of the Small Business Act.

**K.8 52.222-22 Previous Contracts And Compliance Reports (Feb 1999)**

The offeror represents that-

- (a) It [ ] has, [ ] has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; the clause originally contained in Section 310 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114;
- (b) It [ ] has, [ ] has not filed all required compliance reports; and
- (c) Representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

**K.9 52.222-25 Affirmative Action Compliance (Apr 1984)**

The offeror represents that-

- (a) It [ ] has developed and has on file, [ ] has not developed and does not have on file, at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) It [ ] has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

**K.10 52.223-1 Clean Air And Water Certification (Apr 1984)**

The Offeror certifies that—

- (a) Any facility to be used in the performance of this proposed contract is [ ], is not [ ] listed on the Environmental Protection Agency List of Violating Facilities;
- (b) The Offeror will immediately notify the Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the EPA, indicating that any facility that the Offeror proposes to use for the performance of the contract is under consideration to be listed on the (EPA) List of Violating Facilities; and
- (c) The Offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

## **K.11 52.227-15 Representation of Limited Rights Data and Restricted Computer Software (May 1999)**

- (a) This solicitation sets forth the work to be performed if a contract award results, and the Government's known delivery requirements for data (as defined in FAR 27.401). Any resulting contract may also provide the Government the option to order additional data under the Additional Data Requirements clause at 52.227-16 of the FAR, if included in the contract. Any data delivered under the resulting contract will be subject to the Rights in Data-General clause at 52.227-14 that is to be included in this contract. Under the latter clause, a Contractor may withhold from delivery data that qualify as limited rights data or restricted computer software, and deliver form, fit, and function data in lieu thereof. The latter clause also may be used with its Alternates II and/or III to obtain delivery of limited rights data or restricted computer software, marked with limited rights or restricted rights notices, as appropriate. In addition, use of Alternate V with this latter clause provides the Government the right to inspect such data at the Contractor's facility.
- (b) As an aid in determining the Government's need to include Alternate II or Alternate III in the clause at 52.227-14, Rights in Data-General, the offeror shall complete paragraph (c) of this provision to either state that none of the data qualify as limited rights data or restricted computer software, or identify, to the extent feasible, which of the data qualifies as limited rights data or restricted computer software. Any identification of limited rights data or restricted computer software in the offeror's response is not determinative of the status of such data should a contract be awarded to the offeror.
- (c) The offeror has reviewed the requirements for the delivery of data or software and states [offeror check appropriate block]—
- [ ] None of the data proposed for fulfilling such requirements qualifies as limited rights data or restricted computer software.
- [ ] Data proposed for fulfilling such requirements qualify as limited rights data or restricted computer software and are identified as follows:

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Note: "Limited rights data" and "Restricted computer software" are defined in the contract clause entitled "Rights in Data—General."

## **K.12 52.230-1 Cost Accounting Standards Notices and Certification (Apr 1998)**

NOTE: This notice does not apply to small businesses or foreign governments. This notice is in three parts, identified by Roman numerals I through III.

If the offeror is an educational institution, Part II does not apply unless the contemplated contract will be subject to full or modified CAS coverage pursuant to 48 CFR 9903.201-2(c)(5) or 9903.201-2(c)(6), respectively.

Offerors shall examine each part and provide the requested information in order to determine Cost Accounting Standards (CAS) requirements applicable to any resultant contract.

### **I. DISCLOSURE STATEMENT-COST ACCOUNTING PRACTICES AND CERTIFICATION**

- (a) Any contract in excess of \$500,000 resulting from this solicitation will be subject to the requirements of the Cost Accounting Standards Board (48 CFR Chapter 99), except for those contracts which are exempt as specified in 48 CFR 9903.201-1.
- (b) Any offeror submitting a proposal which, if accepted, will result in a contract subject to the requirements of 48 CFR, Chapter 99 must, as a condition of contracting, submit a Disclosure Statement as required by 48 CFR 9903.202. When required, the Disclosure Statement must be submitted as a part of the offeror's proposal under this solicitation unless the offeror has already submitted a Disclosure Statement disclosing the practices used in connection with the pricing of this proposal. If an applicable Disclosure Statement has already been submitted, the offeror may satisfy the requirement for submission by providing the information requested in paragraph (c) of Part I of this provision.

CAUTION: In the absence of specific regulations or agreement, a practice disclosed in a Disclosure Statement shall not, by virtue of such disclosure, be deemed to be a proper, approved, or agreed-to practice for pricing proposals or accumulating and reporting contract performance cost data.

- (c) Check the appropriate box below:

☐ (1) Certificate of Concurrent Submission of Disclosure Statement. The offeror hereby certifies that, as a part of the offer, copies of the Disclosure Statement have been submitted as follows: (i) original and one copy to the cognizant Administrative Contracting Officer (ACO) or cognizant Federal agency official authorized to act in that capacity (Federal official), as applicable, and (ii) one copy to the cognizant Federal auditor.

(Disclosure must be on Form No. CASB DS-1 or CASB DS-2, as applicable. Forms may be obtained from the cognizant ACO or Federal official and/or from the loose-leaf version of the Federal Acquisition Regulation.)

Date of Disclosure Statement:

Name and Address of Cognizant ACO or Federal Official Where Filed:

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The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the Disclosure Statement.

☐ (2) Certificate of Previously Submitted Disclosure Statement. The offeror hereby certifies that the required Disclosure Statement was filed as follows:

Date of Disclosure Statement:

Name and Address of Cognizant ACO or Federal Official Where Filed:

The offeror further certifies that the practices used in estimating costs in pricing this proposal are consistent with the cost accounting practices disclosed in the applicable Disclosure Statement.

☐ (3) Certificate of Monetary Exemption. The offeror hereby certifies that the offeror, together with all divisions, subsidiaries, and affiliates under common control, did not receive net awards of negotiated prime contracts and subcontracts subject to CAS totaling more than \$25 million (of which at least one award exceeded \$1 million) in the cost accounting period immediately preceding the period in which this proposal was submitted. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

☐ (4) Certificate of Interim Exemption. The offeror hereby certifies that (i) the offeror first exceeded the monetary exemption for disclosure, as defined in (3) of this subsection, in the cost accounting period immediately preceding the period in which this offer was submitted and (ii) in accordance with 48 CFR 9903.202-1, the offeror is not yet required to submit a Disclosure Statement. The offeror further certifies that if an award resulting from this proposal has not been made within 90 days after the end of that period, the offeror will immediately submit a revised certificate to the Contracting Officer, in the form specified under

subparagraphs (c)(1) or (c)(2) of Part I of this provision, as appropriate, to verify submission of a completed Disclosure Statement.

CAUTION: Offerors currently required to disclose because they were awarded a CAS-covered prime contract or subcontract of \$10 million or more in the current cost accounting period may not claim this exemption (4). Further, the exemption applies only in connection with proposals submitted before expiration of the 90 day period following the cost accounting period in which the monetary exemption was exceeded.

## II. COST ACCOUNTING STANDARDS ELIGIBILITY FOR MODIFIED CONTRACT COVERAGE

If the offeror is eligible to use the modified provisions of 48 CFR subpart 9903.201-2(b) and elects to do so, the offeror shall indicate by checking the box below. Checking the box below shall mean that the resultant contract is subject to the Disclosure and Consistency of Cost Accounting Practices clause in lieu of the Cost Accounting Standards clause.

☐ The offeror hereby claims an exemption from the Cost Accounting Standards clause under the provisions of 48 CFR subpart 9903.201-2(b) and certifies that the offeror is eligible for use of the Disclosure and Consistency of Cost Accounting Practices clause because during the cost accounting period immediately preceding the period in which this proposal was submitted, the offeror received less than \$25 million in awards of CAS-covered prime contracts and subcontracts, or the offeror did not receive a single CAS-covered award exceeding \$1 million. The offeror further certifies that if such status changes before an award resulting from this proposal, the offeror will advise the Contracting Officer immediately.

CAUTION: An offeror may not claim the above eligibility for modified contract coverage if this proposal is expected to result in the award of a CAS-covered contract of \$25 million or more or if, during its current cost accounting period, the offeror has been awarded a single CAS-covered prime contract or subcontract of \$25 million or more.

## III. ADDITIONAL COST ACCOUNTING STANDARDS APPLICABLE TO EXISTING CONTRACTS

The offeror shall indicate below whether award of the contemplated contract would, in accordance with subparagraph (a)(3) of the Cost Accounting Standards clause, require a change in established cost accounting practices affecting existing contracts and subcontracts.

☐ YES                      ☐ NO

**K.13 DTAR 1052.203-11 Certification and Disclosure Regarding  
Payments to Influence Certain Federal Transactions  
(Apr 1991) (Deviation)**

- (a) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitations on Payments to Influence Certain Federal Transactions, included in this solicitation, are hereby incorporated by reference in paragraph (b) of this certification.
- (b) The offeror, by signing its offer, hereby certifies to the best of his or her knowledge and belief that on or after December 23, 1989,—
  - (1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a Federal contract resulting from this solicitation;
  - (2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer; and
  - (3) He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.
- (c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

**Section L****Instructions, Conditions, and Notices to Offerors or Respondents****L.1 52.252-1 Solicitation Provisions Incorporated by Reference (Feb 1998)**

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The Offeror is cautioned that the listed provisions may include blocks that must be completed by the Offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the Offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):

<http://www.arnet.gov/far/>

NOTICE: The following contract clauses are hereby incorporated by reference:

<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.204-6	DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER	JUN 1999
52.214-34	SUBMISSION OF OFFERS IN THE ENGLISH LANGUAGE	APR 1991
52.214-35	SUBMISSION OF OFFERS IN U.S. CURRENCY	APR 1991
52.215-1	INSTRUCTIONS TO OFFERORS-- COMPETITIVE ACQUISITION	OCT 1997
52.215-16	FACILITIES CAPITAL COST OF MONEY	OCT 1997
52.222-24	PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE EVALUATION	FEB 1999
52.222-46	EVALUATION OF COMPENSATION FOR PROFESSIONAL EMPLOYEES	FEB 1993
52.232-38	SUBMISSION OF ELECTRONIC FUNDS TRANSFER INFORMATION WITH OFFER	MAY 1999
52.237-10	IDENTIFICATION OF UNCOMPENSATED OVERTIME	OCT 1997



**L.2 52.216-1 Type of Contract (Apr 1984)**

The Government contemplates award of an Indefinite Delivery/Indefinite Quantity (hybrid) type contract resulting from this solicitation.

**L.3 52.219-22 Small Disadvantaged Business Status (Oct 1998)**

- (a) General. This provision is used to assess an Offeror's small disadvantaged business status for the purpose of obtaining a benefit on this solicitation. Status as a small business and status as a small disadvantaged business for general statistical purposes is covered by the provision at FAR 52.219-1, Small Business Program Representation.
- (b) Representations.
  - (1) General. The Offeror represents, as part of its offer, that it is a small business under the size standard applicable to this acquisition; and either--
    - (i) It has received certification by the Small Business Administration as a small disadvantaged business concern consistent with 13 CFR 124, Subpart B; and
      - (A) No material change in disadvantaged ownership and control has occurred since its certification;
      - (B) Where the concern is owned by one or more disadvantaged individuals, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); and
      - (C) It is listed, on the date of this representation, on the register of small disadvantaged business concerns maintained by the Small Business Administration or
    - (ii) It has submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

- (2) For Joint Ventures. The Offeror represents, as part of its offer, that it is a joint venture that complies with the requirements at 13 CFR 124.1002(f) and that the representation in paragraph (b)(1) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The Offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture:\_\_\_\_\_.]
- (c) Penalties and Remedies. Anyone who misrepresents any aspects of the disadvantaged status of a concern for the purposes of securing a contract or subcontract shall:
- (1) Be punished by imposition of a fine, imprisonment, or both;
  - (2) Be subject to administrative remedies, including suspension and debarment; and
  - (3) Be ineligible for participation in programs conducted under the authority of the Small Business Act.

#### **L.4 52.233-2 Service of Protest (Aug 1996)**

- (a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

Michael P. Rebain

Hand-Carried Address:  
U.S. Customs Service  
Procurement Division; Suite 4.2-E  
Office of Finance  
1300 Pennsylvania Ave., NW  
Washington DC 20229

Mailing Address:  
U.S. Customs Service  
Procurement Division; Suite 4.2-E  
Office of Finance  
1300 Pennsylvania Ave., NW  
Washington DC 20229

- (b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

## **L.5 Alterations in Solicitation (Apr 1984)**

Portions of this solicitation are altered as follows:

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## **L.6 52.252-5 Authorized Deviations in Provisions (Apr 1984)**

- (a) The use in this solicitation of any Federal Acquisition Regulation (48 CFR Chapter 1) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the provision.
- (b) The use in this solicitation of any Federal Acquisition Regulation (48 CFR Chapter) provision with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

## **L.7 Incurrence of Cost Prior to Contract Execution**

Issuance of this solicitation does not constitute an award commitment on the part of the Government. This request does not commit the Government to pay for costs incurred prior to the execution of a formal contract unless specifically authorized in writing by the Contracting Officer.

The Contracting Officer is the only individual who can legally obligate the Government to the expenditure of public funds should a contract result by reason of a response to this request for proposal.

## **L.8 Proposal Format**

The completion and submission of the following items will constitute the proposal. Customs acceptance of the proposal will result in a binding contract for potential work. At or after contract award, Customs may issue delivery/task orders for one, all, or portions of the Task Proposals submitted in response to this solicitation. An Offeror's failure or refusal to assent to any of the terms and conditions of this

solicitation, or an Offeror's imposition of additional conditions, or any material omissions in its proposal, will constitute a deficiency, which will make the proposal unacceptable to Customs.

The only way to correct a deficiency would be through discussions (see FAR 15.306(d)); however, Customs intends to award a contract without discussions, as permitted by FAR 15.306(a) and 52.215-1. Therefore, Offerors are warned to consult with the Contracting Officer before submitting a proposal that takes exception to any term or condition of this solicitation, or imposes any additional condition, or omits any required information. Customs intends to award without discussions, but Customs reserves the right to conduct discussions and to permit Offerors to revise their proposals if necessary.

Offerors shall prepare the following materials, and shall submit materials and copies as listed in Table L.8-1 below:

**Table L.8-1 Proposal Submission Directions**

<b>Proposal Component</b>	<b>Delivery Media</b>	<b>Page Limits</b>
Volume 1 Cost Attachment 1 Cost Proposal for Task Order J.8 Attachment 2 Cost Proposal for Task Order J.9 Attachment 3 Cost Proposal for Task Order J.10	10 copies 1 CD-ROM of cost data	No page limit
Volume 2 Program Management Attachment 1 Traceability Matrix Attachment 2, Customs Modernization Enterprise-wide Program Management Plan Attachment 3, Copy of the Offeror's Mentor-Protégé Application Attachment 4 Proposal for Task Order J.8 (with sanitized cost data)	10 hard – copies and 1 CD-ROM	Main volume – 50 pages Attachments 1, 2, 3 – no limit Attachment 4 – 25 pages exclusive of cost data
Volume 3 Technical Part 1. Enterprise Engineering Part 2 Systems Planning and Development Attachment 1 Problem Set Solution Attachment 2 Proposal for Task Order J.9 (with sanitized cost data) Attachment 3 Proposal for Task Order J.10 (with sanitized cost data)	10 hard – copies and 1 CD-ROM	Main Volume, Part 1 – 50 pages Main Volume, Part 2 – 50 pages Attachment 1 – 5 pages Attachment 2 – 25 pages exclusive of cost data Attachment 3 – 25 pages exclusive of cost data
If invited to make an oral presentation, briefing materials to be used for the Overview and Problem Set	10 hard – copies and 1 CD-ROM	Delivered 14 days after notification

The proposal shall conform to the following requirements and standards:

- (a) Each Offeror's proposal submitted in response to this solicitation shall be submitted in an electronic format compatible with Microsoft Office 97 - Professional Suite.
- (b) Proposals shall conform to the page limits given above. Pages beyond the limit will not be evaluated.
- (c) All text material shall be in a 12 pt ARIAL font, with one (1) inch margins top, bottom and on the unbound side. The bound side margin shall be one and a half (1½) inches.
- (d) All proposals shall be submitted on 8½x11-inch bond paper. At the Offeror's option, a foldout page up to 11x17 may be used for drawings, tables, charts, or other graphics as necessary. Such foldouts shall be counted as two pages for the purposes of page limited volumes. A page shall be considered a printed side of a sheet of paper, thus a single sheet may have two pages if printed on both sides. Each Volume and Part shall be bound separately and in a form that is separable to allow distribution by section.
- (e) Color may be used in graphics or charts for greater clarity at the Offeror's option. Otherwise, text shall be black.
- (f) For material delivered on more than one media, a Master hard-copy shall be so marked and shall take precedence if there are differences.
- (g) Cost data shall be provided in a spreadsheet that includes formulas.

Proposals must be prepared in accordance with these instructions and provide all required information in the format specified. The required format is designed to assure submission of information essential to understanding and comprehensive evaluation of the Offeror's proposal. Failure of a proposal to comply with these instructions may be grounds for exclusion of the proposal from further consideration.

## **L.9 Cost Volume**

The Offeror shall prepare and submit the following in a separate volume:

- (a) Standard Form 33: "Solicitation, Offer, and Award," with blocks 12 through 18 completed by the Offeror.

- (b) Solicitation Section B: "Supplies or Services and Prices/Costs," with the Offeror's proposed prices inserted in the appropriate spaces. The Offeror shall provide cost or pricing back-up information that is sufficiently detailed to allow the Government to perform a full price and/or cost analysis as necessary. Relevant government audit reports/Forward Pricing Rate Agreements should be included. Offerors lacking government approved overhead, G&A or direct labor costs shall provide detailed background data, indicating the cost elements which have been included in the overhead, G&A or indirect pools, and a statement that such treatment is in accordance with established accounting practices and represents equitable distribution.
- (c) Solicitation Sections A through K: All requested information completed and returned by the Offeror in its entirety with no exceptions taken.
- (d) Unconditional Assent: The proposal must communicate its unconditional assent to the terms and conditions in this solicitation including any attachments and documents incorporated by reference, and any amendments thereto.
- (e) Subcontracting Plan: As part of its proposal, each large business Offeror's proposal (as defined in FAR Subpart 19.1) shall include a plan for subcontracting with small, HUBZone small, small disadvantaged, and women-owned businesses, in accordance with FAR Subpart 19.7. In this case, the award will be conditioned upon the Customs Service's ability to reach agreement with the Offeror on the terms of its Subcontracting Plan. If Customs accepts the Offeror's subcontracting plan, it will become a part of the contract. Use of the subcontracting plan outline contained in Solicitation Section J Attachment: "Small, HUBZone, Small Disadvantaged, and Women-Owned Business Subcontracting Plan Outline" (See Section J, Attachment 1) is optional. However, plans must contain all elements included in the outline.
- (f) Ground rules and assumptions: Document key assumptions and identify major cost drivers.

Attachment 1 Cost Proposal for Task Statement J.8, Program Management

Attachment 2 Cost Proposal for Task Statement J.9, Enterprise Engineering

Attachment 3 Cost Proposal for Task Statement J.10, ACE Planning

## **L.10 General Instructions for Program Management and Technical Volumes**

### **L.10.1 General Instructions for Past Performance**

The Offeror shall forward a copy of the "Past Performance Questionnaire" (provided in Section J.2) to each of three references and include a list of these references in the proposal. The Offeror shall instruct the references listed to complete the questionnaire and submit it directly to the Contracting Officer for this solicitation. The Offeror shall exert best efforts to ensure its references submit completed questionnaires directly to Customs no later than the proposal submission date. Failure of the Offeror to demonstrate best efforts will negatively affect the Offeror's evaluation. The Offeror shall keep a written log to demonstrate best effort which at a minimum shall show date of action, type of action, person's name and phone number of person contacted, the contact's name and status of questionnaire.

The information contained in the Questionnaire will be considered sensitive and shall not be released to the Offeror. Customs reserves the right to obtain additional information from any of the referenced contacts and from other government sources.

### **L.10.2 Past Performance as Substantiation**

The references referred to above shall be the same three used to substantiate the Offeror's approach and shall be examples of work performed for a major government modernization program. This program shall have been managed by the Offeror using a single management team for an effort that is similar in size, scope, and breadth to this solicitation. The effort shall have been direct, participatory, within the last 5 years, and of sufficient duration to achieve a continuing expertise and partnership.

The Offeror shall use past performance to substantiate all facets of the proposed management and technical approaches. The substantiation shall be provided within each section of the Program Management and Technical Volumes. The offeror shall discuss problems encountered, lessons learned, and solutions applied. The past performance shall be drawn from the Offeror's experience with the three government customers from whom questionnaires are to be received. Any past performance discussion or questionnaires from customers other than these three will not be considered in the evaluation.

**L.10.3 Other General Instructions**

Offerors are encouraged to propose innovative solutions to reduce risk, cost, schedule, and improve performance for the modernization, as well as, individual tasks.

NO PRICING DATA SHALL BE SUBMITTED IN THESE VOLUMES. Task proposals shall include cost data that has been extracted from Cost Volume Attachments 1, 2, and 3 and the pricing data (dollar figures) removed.

**L.11 Program Management Volume**

This volume shall be submitted as described below. For each section, the Offeror shall describe the approach being proposed and the Offerors relevant experience and results in using that approach. The sections and attachments to be included shall be as follows:

- (a) Program Management Skills and Processes: The Offeror's proposal shall outline the approach to the long-term management of the Customs Modernization Program. At a minimum, the Offeror shall detail the Offeror's organization to handle Customs Modernization (Prime Team, Prime Contractor/Subcontractors, Prime Team/Subcontractors, etc.); define the roles and responsibilities; and describe the processes to be applied, tools to be used, and the products to be generated. The Offeror shall describe processes for quality assurance, configuration management, risk management, problem resolution, and approaches to performance measures, incentive and award fees.
- (b) Aligning Information Technology with Business Objectives: The Offeror's proposal shall describe the approach and demonstrated experience to align information technology with business objectives.
- (c) Partnering: The Offeror's proposal shall describe the Offeror's approach and demonstrated experience to meet the requirements in Section C to partner with Customs. Describe the strengths and potential risks, as well as, how the Offeror will manage the risks. Describe how the Offeror will accomplish effective communication with all levels of Customs and legislative bodies.



- (d) Management Team: The Offeror's proposal shall describe the Offeror's management team including demonstrated accomplishments with similar activities. The Offeror's proposal shall identify principal team leadership, with summary of qualifications and experiences for both the individuals and the conglomerate qualities. The Offeror's proposal shall describe the location of the team office and members full time location.
- (e) Readiness to Proceed: The Offeror's proposal shall identify the availability to begin work upon contract award for each key personnel, including the location of the key personnel. The Offeror's proposal shall describe the approach to ramping up and being prepared to execute the Program Management, Enterprise Engineering, and ACE Planning tasks.
- (f) Management of Subcontracts: The Offeror's proposal shall describe the approach and demonstrated experience to effectively managing all subcontractors. The Offeror's proposal shall explain the unique capabilities of the team to successfully implement complex modernization projects. The Offeror's proposal shall describe the Offeror's approach to Small Business subcontracting.
- (g) Mentor-Protégé Program: The Offeror's proposal shall discuss the approach to the Mentor-Protégé Program. In accordance with Phases II and III of the Department of the Treasury Mentor-Protégé Program each offeror shall propose at least one protégé in each of the Procurement Preference groups identified in its subcontracting plan. The preference groups are defined as follows:

Small Business (SB), as used herein, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business in its primary Standard Industrial Classification (SIC) Code under the criteria and size standards in 13 CFR Part 121.

1. HUBZone, as used herein, means a qualified small business concern (SBC) located in a historically underutilized business zone which is in an area located within one or more qualified census tracts, qualified non-metropolitan county, or lands within external boundaries of an Indian reservation.
2. Small Disadvantaged Business (SDB), as used herein, means a small business concern owned and controlled by socially and economically disadvantaged individuals as defined defined by FAR 19.001.

3. Women-Owned Small Business (WO), as used herein, means a small business concern where ownership and controlling interest (at least 51%) in the company is held by a woman or women.

The U.S. Department of the Treasury shall collect and post a list of CMM certified small businesses which have expressed an interest in subcontracting for this project. The list will be located on the Treasury website at [www.treas.gov/sba](http://www.treas.gov/sba).

- (h) CMM Level: The Offeror shall provide the following information for the Offeror's proposed software development organization (Contractor and teammates/subcontractors) that will be used to conduct software development activities for the Customs modernization. Results from a recent (not later than eighteen months prior to the release of this RFP) SEI Software Capability Evaluation (SCE) or CMM Based Appraisal for Internal Process Improvement (CBA-IPI) demonstrating that the Offeror's process capability satisfies Level 3 or higher of the Software Development CMM, Version 1.1 must be made available. These results shall include evidence of certification of the Offeror's assessment/evaluation results, together with all of the following:

- Contact information for the lead assessor/evaluator
- Copy of the assessment/appraisal plan
- Copy of the action plan
- Copy of the final report

The Offeror shall describe the type of appraisal: (i.e., Internal Process Improvement (IPI) or Software Capability Evaluation. Customs reserves the right to conduct an on-site independent assessment (See Section L.15). Also provide any Engineering and/or Software Acquisition certifications in progress or obtained in the same detail as for Software Development.

- (i) Process Improvement: The Offeror shall describe future plans for process improvement and significant historical milestones that resulted in process improvement objectives to date (e.g., CMM Level Certification). Customs recognizes the integral role of systems engineering in the development of a modernized system. The Offeror is encouraged to provide evidence of their satisfaction of the process areas identified in the Systems Engineering CMM (as documented in Systems Engineering Capability Maturity Model Version 1.1, A, CMU/SEI-99-MM-003), the process areas in the Systems Security Engineering CMM (as documented in SSE-CMM V2.0, April 1999), and the process areas

identified in the Software Acquisition CMM (as documented in Software Acquisition Capability Maturity Model, Version 1.02, CMU/SEI-99-TR-002). This evidence may take the form of assessment and/or evaluation results, process improvement plans, action plans, and final reports from assessments/evaluations.

Attachment 1, Traceability Matrix. The Offeror shall provide a matrix that traces the evaluation factors and sub-factors in Section M to all components of the proposal.

Attachment 2, Customs Modernization Enterprise-wide Program Management Plan

Attachment 3, Copy of the offeror's Mentor-Protégé application.

Attachment 4, Proposal for Task Order J.8. Attachment 2 shall contain a formal proposal for Task J.8 – Program Management Services. Follow the instructions in Section H.4 for preparation of Task Proposals. Specify where the program management office will be and identify key personnel by title who would be working out of this office. Cost information will be in the cost volume. All other material for the task proposal and sanitized cost data shall be in this attachment.

## **L.12 Technical Volume**

The Technical Volume shall be submitted in two Parts as described below.

### **L.12.1 Technical Volume, Part 1, Enterprise Engineering**

The sections to be included in Part 1 shall be as follows:

- (a) Architecture Based Development. The Offeror's proposal shall describe its processes, methodology and experience in using architectures to guide systems development (software, infrastructure). The proposal shall include a description of the Systems Engineering processes that the Offeror shall apply to the Customs modernization and the tools that support these processes. The Offeror shall describe how it will conform to the TISAF and Customs EA and TRM. In addition, the Offeror shall describe its methodology for modeling the architectures and ensuring conformance of systems to the architecture and for refreshing the architecture periodically to include new functional requirements or new technologies.

- (b) Key Problems: The Offeror's proposal shall describe the key problem areas for Customs Modernization. The Offeror shall provide a description of the problem areas and potential impacts on Customs accomplishing its modernization efforts. The Offeror shall describe its approach and methodology to address the previously identified problem areas and any past experience in solving or mitigating these problems.
- (c) Enterprise Services: The Offeror's proposal shall describe the Offeror's processes and experience for choosing, deploying, and managing enterprise services to support large numbers of users that are distributed geographically. The proposal shall describe how the Offeror will provide enterprise services for an initial ACE deployment with scalability for the duration of the Customs Modernization process.
- (d) Data Management: The Offeror's proposal shall describe the Offeror's processes and experiences for organizing, modeling, describing, and managing the storage of large amounts of data as part of a program lifecycle, including coordinating systems operating in parallel and delivering the data at the end of the contract
- (e) Security: The Offeror's proposal shall describe the Offeror's processes and experiences for defining a security model and policy and experience implementing security services and infrastructure to enforce the policy. The proposal shall describe experiences implementing electronic commerce systems, virtual private networks, and public key infrastructure systems. The Contractor is encouraged to provide evidence of its satisfaction of the process areas identified in the System Security Engineering Capability Maturity Model, Version 2.0 (SSE-CMM V2.0), April 1999.
- (f) External Interfaces: – The Offeror's proposal shall describe how the Offeror determines the needs for data exchange and will provide interfaces to support the data gathering and dissemination needs for both the Trade and Other Government agencies. The proposal shall describe experiences implementing electronic commerce systems.
- (g) Centralized and Distributed Computing: The Offeror's proposal shall describe the Offeror's processes and experiences for assessing the appropriate use of centralized and distributed computing technologies. The proposal shall describe experiences and results in migrating organizations between mainframe systems and distributed systems and in providing interoperability among heterogeneous systems.

- (h) Operations and Maintenance: The Offeror's proposal shall describe the Offeror's enterprise systems management, including network management, experiences selecting technologies that facilitate remote administration, backups, asset and inventory management, and help desk support to ensure 24 X 7 system availability for all users, especially during the migration period.

#### **L.12.2 Technical Volume, Part 2, Systems Planning and Development**

The sections to be included in Part 2 shall be as follows:

- (a) Life Cycle Systems Engineering: The Offeror's proposal shall describe the Offeror's approach and demonstrated experience in all phases of systems planning and development. The Offeror's proposal shall describe the role of enterprise engineering and its work products in performing systems engineering and preparing system-level work products. The Offeror shall describe the approach to coordinate systems engineering activities with Customs Systems Development Life Cycle. The Offeror's proposal shall describe the processes the Offeror will use, tools that support these processes, and demonstrated experience in capturing, modeling, and documenting business and technical requirements. The Offeror's proposal shall describe the Offeror's approach for performing configuration management for all work products produced during the entire systems engineering life cycle.
- (b) Knowledge Based Organization: The Offeror's proposal shall describe the Offeror's demonstrated experience to migrate organizations towards analytical processing and specialization of labor forces. The proposal shall describe the Offeror's concepts assisting Customs with this migration.
- (c) Evolutionary Development: The Offeror's proposal shall describe the Offeror's approach and demonstrated experience in defining phases and evolutionary development, including allocating requirements to phases and planning to ensure measurable improvements in each phase. Address scheduling, methodology, sequencing, and integration of the capabilities.
- (d) Transition: – The Offeror's proposal shall describe the Offeror's approach and demonstrated experience in transitioning from legacy to modernized systems. The Offeror's proposal shall describe the Offeror's approach and demonstrated experience in coordinating the operations of legacy and modernized systems during timeframes when both will need to operate and interface with each other.

- (e) Systems Development: The Offeror's proposal shall describe the Offeror's demonstrated ability to perform systems development on time and within budget that meet or exceed customer expectations. The Offeror's proposal shall describe the Offeror's demonstrated ability to adhere to best practices and procedures during systems development.
- (f) Total Systems Business Partner. The Offeror shall describe the Offeror's ability and demonstrated experience in integrating developed software, vendor software products, databases, business rules, platforms, networks, and other elements. The Offeror shall describe the Offeror's approach and demonstrated experience in testing software components, services, systems, and subsystems. The Offeror shall describe the Offeror's ability and demonstrated experience in coordinating efforts with other contractors during planning, development, integration, testing, and discrepancy resolution.
- (g) Deployment. The Offeror shall describe the Offeror's ability and demonstrated experience in deploying both entire systems and incremental component updates in conjunction with legacy systems while ensuring no disruptions in operations.

### **L.12.3 Technical Volume Attachments**

The attachments to the Technical Volume shall be as follows:

Attachment 1. The Offeror's proposal shall include the Offeror's solution to the problem set.

Attachment 2, Proposal for Task Statement J.9. Attachment 2 shall contain a formal proposal for Task J.9 – Enterprise Engineering Services. Follow the instructions in Section H.4 for preparation of Task Proposals. Propose the place of performance and provides rationale for choice of location. Cost information will be in the cost volume. All other material for the task proposal and sanitized cost data shall be in this attachment.

Attachment 3, Proposal for Task Statement J.10. Attachment 3 shall contain a formal proposal for Task J.10 – ACE Requirements and Planning. The Offeror's proposal shall follow the instructions in Section H.4 for preparation of Task Proposals. Propose the place of performance and provides rationale for choice of location. Cost information will be in the cost volume. All other material for the task proposal and sanitized cost data shall be in this attachment.

## L.13 Oral Presentations

Customs plans to limit the number of proposals after an initial review and scoring of the written submissions. Those Offerors whose proposals are found to be within the competitive range, will be invited to make an oral presentation. The interview will not constitute discussions, as defined in FAR 15.306(d), nor will it obligate Customs to conduct discussions or to solicit or entertain any revisions to the offer.

The Offeror shall be represented by a team of no more than five (5) representatives. Each one must be a member of the proposed leadership team identified in the Program Management Volume. Offerors may send two nonparticipating representatives to observe. Customs may videotape the session solely for its own use and records.

The presentation shall be structured as follows:

Overview	The Offeror's team will introduce the presenter(s) and non-participating attendees, present a summary of the Offeror's qualifications, approach to Customs Modernization management approach, and problem set solution	No more than one (1) hour
Problem Set	The Offeror's team will respond to a problem set. Initial problem statement will be supplied with the final RFP. Additional directions will be supplied with notification of schedule.	Response will be limited to two (2) hours
Customs Caucus		No more than two (2) hours
Question Period	The Offeror will answer questions from the evaluation team about the management and operational strategies associated with the difficulties and risks expected to be encountered during the performance of the contract described in this RFP	No more than one (1) hour including 5 minutes for the Offeror to conclude and summarize.

The Contracting Officer will notify invited Offerors of the date and time of the Offeror's presentation approximately 14 days prior to the presentation. The Contracting Officer will schedule presentations by random lottery. The Contracting Officer will provide Offerors with additional instructions with the notification. Customs will conduct the presentation sessions at its Headquarters facility in Washington, D.C. Customs reserves the right to reschedule any Offeror's presentation at the discretion of the Contracting Officer.

## **L.14 Site Visits**

### **L.14.1 Customs Site Visits**

Customs reserves the right to conduct a site visit during the proposal evaluation to gain insight into the management, engineering, and software processes of the Offeror. A recent (within past 18 months) CMM Appraisal Framework (CAF) – compliant appraisal must have already been performed. During the site visit, the Offeror must make available personnel and recent artifacts that are indicators that the developing organization is operating at a Level 3.

### **L.14.2 Contractor Site Visit**

Customs intends to provide an opportunity for Offerors to visit a Customs port. Arrangements are TBD.



**Section M****Evaluation Factors for Award****M.1 52.252-1 SOLICITATION PROVISIONS INCORPORATED BY REFERENCE (FEB 1998)**

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The Offeror is cautioned that the listed provisions may include blocks that must be completed by the Offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the Offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this address:

<http://www.arnet.gov/far/>

<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
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**M.2 General**

The Contracting Officer will consider several factors in the selection process which are important, such as:

- (a) The Offeror must respond to all the requirements of the solicitation, and must include all information specifically required in all sections of the solicitation.
- (b) Award of a contract may not be made to the Offeror unless an agreement can be secured for all General and Specific Provisions.
- (c) Award can only be made to an Offeror:
  - (1) Whose proposal is technically acceptable;
  - (2) Whose cost/price is determined reasonable; and
  - (3) Who is considered to be responsible with the meaning of FAR 9.104

### **M.3 Program Management and Technical Evaluation**

An evaluation team will be established by Customs to evaluate each Offeror's Program Management and Technical proposal. The Customs Federally Funded Research and Development Center may serve as a technical advisor to this committee. Each member of the evaluation team will evaluate in accordance with the factors stated below.

Considerations for each factor and sub-factor shall include understanding of the requirement, the approach being proposed, relevant experience, level of innovation, and consistency of approach across the Offeror's proposal including Task Proposals.

Relevant experience described in the Program Management and Technical Volumes, Attachments, the oral presentation, Past Performance Questionnaires, and by Customs query of references who were asked to submit questionnaires will be considered. Relevant experience will be used to assess the likelihood that the Offeror will successfully implement all facets of the Program Management and Technical approach being proposed.

Material submitted in excess of prescribed page counts will not be evaluated.

### **M.4 Program Management Evaluation Criteria**

The sub-factors that will be evaluated are:

- (a) Appropriateness of Program Management Skills and Processes
- (b) Ability to Align Information Technology with Business Objectives
- (c) Soundness of Approach to Partnering
- (d) Quality of Management Team
- (e) Readiness to Proceed with Modernization
- (f) Effectiveness of Subcontracting Management
- (g) Understanding and Responsiveness to Small Business and Treasury Mentor-Protege Programs

- (h) Certified CMM Level
- (i) Soundness of Approach to Process Improvement

## **M.5 Technical Evaluation Criteria**

Enterprise Engineering and System Development factors will be evaluated. The sub-factors to be evaluated are:

### **M.5.1 Enterprise Engineering**

- (a) Maturity of Processes for Architecture-based Development
- (b) Depth of Understanding of Key Problems
- (c) Ability to Provide Enterprise Services
- (d) Ability to Provide Data Management
- (e) Soundness of Approach to Security
- (f) Soundness of Approach to Managing External Interfaces
- (g) Understanding of Centralized and Distributed Computing
- (h) Soundness of Approach to Operations and Maintenance

### **M.5.2 Systems Planning and Development**

- (a) Maturity of Life Cycle Systems Engineering
- (b) Approach for Evolutionary Development
- (c) Knowledge Based Organization
- (d) Ability to Manage and Implement Transition
- (e) Maturity of Systems Development
- (f) Ability to Perform Systems Integration
- (g) Ability to Deploy Systems with Minimal Disruption

## **M.6 Cost Evaluation**

Separately and apart from the technical evaluation, Customs will conduct a cost and price evaluation of the Offeror's cost/price proposal to determine the cost reasonableness and cost realism.

The sub-factors that will be evaluated are:

- (a) Reasonableness and balance of cost with consideration of the rationale and basis of estimate, labor rates, and hours for the initial tasks
- (b) Reasonableness and consistency with the Government's estimates
- (c) Efficacy of the proposed incentive and award fee structure

For purposes of evaluation, the Government reserves the right to adjust the cost proposal to reflect the Most Probable Cost to the Government where there is a determination that the cost proposal is incomplete or lacks realism.

Any cost sharing or cost recovery provisions (as defined in Section L) that are provided in the cost proposal will be assessed separately for feasibility and factored into the Best Value determination.

## **M.7 Best Value**

Award will be made to that responsible Offeror whose proposal contains the combination of criteria offering the best overall value to Customs. Overall value will be determined by comparing differences in the Offeror's proposals revealed by the technical and management evaluation with differences in the Offeror's cost/price. Customs is more concerned with obtaining superior management and technical features than with making an award at the lowest cost/price to Customs.

## **M.8 Evaluation Factors For Award**

Customs will award the contract to the Offeror who represents the best value to the government.

Pursuant to FAR 15.610 (a) (3) (i), Customs hereby notifies Offerors, that it reserves the right to award a contract without discussions, therefore, each initial offer should contain the Offeror's best terms in regard to technical approach and in regard to the amount proposed.

Only one award will result from this solicitation.

## **M.9 Relative Importance of the Evaluation Factors**

TBD.

## **M.10 Source Selection Decision**

The Source Selection Authority (SSA) will be responsible for comparing the differences of each proposal revealed following the management, technical and cost evaluation. The results of the analysis will depend upon what the Offerors propose. These can only be revealed by a comparative analysis after proposals are evaluated against the evaluation criteria.